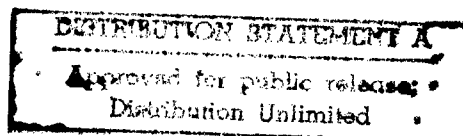


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24 OCTOBER 1989



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# ***JPRS Report***



## **China**

### ***QIUSHI [SEEKING TRUTH]***

No 17, 1 September 1989

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# China

## QIUSHI [SEEKING TRUTH]

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**Unswervingly Implement the Policy of Reform and Opening Up to the Outside World, Carry Out the Improvement and Rectification Program With Perfect Assurance—Speech at a State Council Plenary Session Held on 15 August 1989**

00000000 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 17, 1 Sep 89 pp 2-6

[Article by Li Peng; published in FBIS-CHI-89-179, 18 Sep 89 pp 23-26]

**QIUSHI To Be Published by CPC Central Committee**

OW1908035489 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 17, 1 Sep 89 p 6

[Text] The CPC Central Committee recently decided that the party theoretical journal QIUSHI, which has been run by the CPC Central Party School at the mandate of the party Central Committee, will be run by the party Central Committee. According to demands by the party Central Committee, QIUSHI, as a theoretical journal of the CPC Central Committee, will earnestly do a good job in publicizing the policy of regarding economic construction as a central task, upholding the four cardinal principles, and adhering to the policy of reform and opening to the outside world. We currently should carry out the guidelines set by the 4th Plenary Session of the 13th CPC Central Committee and oppose bourgeois liberalization in a clear-cut manner. Under the guidance of Marxism, QIUSHI will actively engage in theoretical explorations, discuss contending ideas, and play a greater role in the training of theoretical workers.

**Offer a Better Guide to the Self-Cultivation of and Tempering in Party Spirit—Reading the Article 'Marxism-Leninism Must Be Integrated With China's Actual Conditions'**

HK2509090089 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 17, 1 Sep 1989, pp 7-9, 34

[Article by Yang Ruiguang 2799 3843 1684 of the CPC Central Committee Literary Research Office]

[Text] In 1956, the International Youth Delegation organized by the youths of 18 countries, including Britain, Canada, Sweden, Belgium, and others, after visiting several cities and towns in northeastern and eastern China, arrived in Beijing on 16 November. The next day the delegation was received by Comrade Deng Xiaoping, who was then general secretary of the CPC Central Committee and vice premier of the State Council. Comrade Deng spent 4 hours warmly receiving these young friends and answering their questions concerning the party's construction and the country's foreign affairs, news, education, and other matters. Selections of the answers were incorporated into the article "Integration of Marxism-Leninism With China's Actual Conditions," in *Selected Works of Deng Xiaoping, 1938-65*. The article contained Comrade Deng Xiaoping's answer to the first

question raised by them. The words in the entire article were solemn and steely, revealed deep thinking, and fully and clearly answered the complex questions raised the delegation. The head of the delegation at the time happily praised it as "excellent." Although 30 years have passed, when we read the short article today we still feel that it is full of the atmosphere of the times, and that it is clear, to the point, has far-reaching significance, and is a guide to strengthening and tempering in the party spirit that can rarely be found.

1. A Communist Party member must take serving the people with his whole heart and soul as the highest standard and put socialism and communism as his whole life's objective.

Replying to the delegation's question, "What is the implication of being a member of the CPC?," Comrade Deng Xiaoping said: "The meaning or mission of a CPC member, if put in all-inclusive terms, may be put in only two phrases, namely, wholeheartedly serving the people, and setting all for the people's interest as the highest standard for each and every party member. His objective is the realization of socialism and communism." Here, Comrade Deng Xiaoping did not describe a Communist Party member's significance or mission in a casual or general manner, but grasped the most vital point, that is, the objective, ideal, and faith that a Communist Party member must possess. First he must serve the people with whole heart and soul; and second, he must at all times keep in mind the purpose of his work and the target of his struggle, to struggle all his life for the realization of socialism and communism.

Wholeheartedly serving the people is the purpose for establishment of the CPC and is also the purpose that each and every Communist Party member must hold. The basic manifestations of the party spirit of a true Communist Party member are firmly insisting that the party's and the people's interests are above all, the individual's interests are subservient to the party's and people's interest, and contributing one's all, even one's own life. Over the past several decades, it was only by relying on this spirit of self-sacrifice of the tens of millions of Communist Party members who "always minded the world's miseries before seeking self-enjoyment," put crashing the enemy's front line before enjoyment, and did not fear hard toil or even sacrifice, that the CPC has won the support from the heart of the various races of China and achieved great successes in the revolution of the new democracy, socialist revolution, and socialist modernization and construction. The possession or not of these qualities on the part of a Communist Party member is a criterion of whether he has passed the testing stone of the party in the realm of ideology. Today, China is in a historical period of establishing a socialism with Chinese characteristics and carrying out reform and opening to the outside world. Each and every Communist Party member must likewise follow the party's superior traditions, devote whole heart and mind to serving the people and take this as the highest goal, without lowering demands in the least.

Naturally, we should acknowledge that, like ordinary people, Communist Party members should be given compensation and encouragement by the state, which they deserve for their services and contributions in accordance with the relative system and policies. Nevertheless, as a party member, one should never consider one's own services as chips in exchange for compensation but should possess an even higher sphere of ideology and standard of behavior. In other words, 1) he should not take rendering services as the sole purpose of obtaining compensation; and 2) when and if his individual interests conflict with those of the collective, state, and people, he should of his own accord abide by the interests of the collective, state, and people, and sacrifice his individual interests. Unfortunately, at present, certain Communist Party members, including an extremely small number of those who have gone through the tests of the flames of warfare, have slackened their purpose of whole heart and mind service to the people. Some have put it entirely out of mind, "searching for profits only," "seeking profits and forgetting righteousness," and even going to the extent of "being obsessed with the desire for gain and "all for money's sake" and taking this as their overall doctrine. Their lust for gain, corruption, and degeneration have lowered their status to that of the antagonists of the Communist Party and made them lose entirely the party spirit of the Communist Party. Cruel and stern facts have told us that, in the era of reform and opening to the outside world, Communist Party members must all the more strengthen the cultivation and tempering of their party spirit, relentlessly reject the ideological corrosion of the capitalist doctrine of "worshipping money and material things," and firmly entrench the concept of serving the people with whole heart and mind.

The purpose of a Communist Party member is the realization of socialism and communism. This is an important mark distinguishing a Communist Party member with communist consciousness from the ordinary people and is an important spiritual pillar for Communist Party members to overcome all difficulties and win success.

Communism is not a "fantasy" or "utopia" as slandered by some people who stubbornly insist on capitalist liberalization. It is, to the contrary, a conclusion reached by Marx and Engels after their analysis of the laws of development in capitalist society through the use of a scientific world outlook. It is from this analysis that they derived the theory of scientific socialism. Over half a century of world progress has demonstrated the correctness of the theory of scientific socialism. The Chinese Communist Party, after leading the various nationalities of China to victory in the revolution for new democracy, proceeded successfully with socialist transformation, establishing a socialist society with the public ownership system as the principal factor. The establishment of the socialist system has, for the first time, fundamentally changed the status of the working people from being exploited, oppressed, and enslaved for the previous

several thousands of years, to becoming masters of their society. Socialism is now guiding the various aspects of Chinese society. Despite the certain imperfections in this system, the extensive masses of people basically support the various changes. Precisely because the socialist system has the support of the extensive masses of people, our People's Republic has succeeded in going through each and every trial, much to the consternation of hostile forces both inside and outside the country. In the 40 years since the establishment of New China, despite the fact that there have been omissions and even errors in our work, we did after all transform China from being a semicolonial country that suffered from others' abuse and insult, to an initially prosperous, wealthy, and strong country. This is an objective fact which cannot be denied. History has amply demonstrated that only socialism can save China and bring about her development.

Naturally, our country is still in the initial stage of socialism. Both in economic structure and political structure it still has many imperfections and the process of its development and perfection will have to take a prolonged period of time. The socialist system itself, however, is not an ossified pattern. It has the potential for self-development and self-perfection. This road of self-development and self-perfection is dependent on reform first, and on construction second. We must promote what is beneficial and abolish what is harmful by means of reform, and must more fully display the strong points of the socialist system. The 10 years of reform and development have attested to this point.

What has given us deep enlightenment is the truth that China must go the socialist road which Comrade Deng Xiaoping declared and emphasized in 1956 when facing the opposing current of the international reactionary forces inciting anticommunism and antisocialism and in replying to the delegation's question. He said: "As seen by our CPC, the universal truth is thus, that is, elimination of feudalism and capitalism, realization of socialism and realization of communism in the future. Is it possible not to go the socialist road? No! If we deviate from this universal truth and do not realize socialism, then there will be no need for the PRC and the CPC to exist." Comrade Deng Xiaoping said these words very clearly and explicitly, that is, China must go the socialist road, otherwise the status of the PRC would not exist and there would also be no need for China's Communist Party to exist.

Today, at a time when our country's socialist construction, reform, and opening to the outside world are reaping large successes, an extremely small number of people who obstinately and firmly insist on capitalist liberalization, actually under the support of political forces hostile to socialism outside the country and overseas, vainly attempted to overthrow the socialist system and change the socialist independent and autonomous China into a country subordinate to Western powers. This once again elicits this problem of a fundamental nature: Must China go the socialist road or not?

Up to here, we cannot but think of Comrade Zhao Ziyang's advocacy in this connection. In January 1987 when he first took up the post of acting general secretary, he openly said at one of the party meetings that from then on, of the four cardinal principles, we need principally insist on leadership by the party and that the three others need not be mentioned or only need to be mentioned rarely. At the time, certain comrades advocated that we should emphasize and firmly insist on socialism. He actually said that nobody could say clearly what the socialist road should be. This revealed the words of his internal world. If a comparison is made between what he said and the sage words spoken by Comrade Deng Xiaoping more than 30 years ago, then a difference between heaven and earth can be found. Can a communist party which does not insist on going the socialist road be a communist party at all? If we make liaison between the facts of Comrade Zhao Ziyang's long-term passive attitude toward firm insistence on the four cardinal principles and the opposition to capitalist liberalization and the real meaning of his words mentioned above, then we may indeed think about them pensively.

In his extemporaneous speech in 1965 on the theme of "unity only through ideals and discipline," Comrade Deng Xiaoping strenuously pointed out why, in the past, we had been able to struggle successfully under extremely difficult conditions and emerged triumphant in overcoming the many difficulties in revolution. He said it was because we had ideals, faith in Marxism and in socialism, and what we had been engaged in was the socialist enterprise with the ultimate objective of realizing communism. We must especially educate the following generation and the next to establish the far-reaching ideals of communism. We must constantly bear in mind this talk of Comrade Deng Xiaoping.

2. Opposition to subjectivism and strong insistence on the union of Marxism-Leninism with China's actual conditions.

Replying to the International Youth Delegation's question, "Who should decide what principles of international classical communism should be applicable to China?" Comrade Deng Xiaoping said: "Eleven years ago the 7th CPC National Congress decided on this principle: Take the union of the universal truth of Marxism-Leninism with China's actual practices in revolution to guide our country's revolution and construction." He further said: "The saying itself of the union of the universal truth of Marxism-Leninism with the country's concrete realities is already a universal truth. It includes two sides: One side is called universal truth and the other side is called union with the country's realities. All along we have come to believe that forsaking either one will not be workable." "On the problem of the union of universal truth with concrete realities, in the past our party met with many setbacks and afterward we grasped the theme of opposing subjectivism." "Union of the two is extremely difficult." "We must constantly rectify the errors." These words of Comrade Deng Xiaoping have enlightened us on the following points:

First, neither revolution nor construction cannot deviate from the guidance of Marxism-Leninism and Mao Zedong Thought. Experiences have shown that Marxism-Leninism provides the theoretical basis for the guidance of our ideas, is a guarantee to success in revolution and construction, and cannot be replaced by any other "ism" or "idea." Hostile forces in the country and abroad have looked upon it with hatred and downgraded it because they wanted to remove our ideological weapon and thus fulfill their evil wishes. Naturally, in our firm insistence on Marxism-Leninism and Mao Zedong Thought, we must have the scientific attitude of Marxism, cannot be involved in doctrinairism, cannot be ossified and conservative, but must firmly grasp its basic theory and scientific system and firmly insist on and develop Marxism in accordance with China's conditions. This will require a special understanding and learning of dialectical materialism and historical materialism, and a conscious application of the stand, viewpoint, and method of Marxism-Leninism to observe problems and to solve them.

Second, in the application of the basic theory of Marxism-Leninism, it is necessary to unify with China's realities. In this connection, in the past our party suffered from setbacks, several times it was thrown into a dilemma and the lessons were serious ones. The basic method for thoroughly implementing this principle is to go deep into the masses, eyes downcast, to carry out precise survey and research and truly understand our country's history and conditions. Being crude and careless, mere bragging and transplanting foreign things without uniting them with China's realities will result only in 100-percent failure. After the 3d Plenary Session of the 11th CPC Central Committee, the CPC, noting the experiences and lessons of history, has formulated an ideological line of starting everything from reality, linking theory to reality, seeking truth from fact, and examining truth and developing truth in actual practices. The 13th party congress further formulated the basic line of "one center and two basic points," that is, "taking economic construction as the center and firmly insisting on the four cardinal principles and firmly insisting on reform and opening to the outside world. This is the correct road formulated for the application of the basic principle of Marxism-Leninism to the union with China's realities. Each and every Communist Party member should, without quivering, support it and carry it out.

Third, we must constantly rectify errors. "The union between universal truth and concrete reality is not at all easy." There are no faultless people in the world. As a Communist Party member wholeheartedly devoted to serving the people, one should constantly pay attention to preventing subjectively doing as one pleases and to avoid and correct errors.

The union of Marxism with China's realities is our party's ideological line and is also one of the principles of our party's spirit. Mao Zedong, in his 1941 publication, *Learning To Transform Ourselves*, pointed out: "We

should say that being without a scientific attitude is being without the attitude of unification of the theory of Marxism-Leninism with actual practices; this is to be without party spirit or with imperfection in party spirit." Each and every Communist Party member among us should pay attention to strengthening the cultivation and tempering of one's own party spirit in the actual practice of firmly insisting on the unification of Marxism-Leninism with China's realities.

### **On 'Be Worthy of the Name of Teacher'— Feelings on a Festival**

00000000 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 17, 1 Sep 89 pp 10-12

[Article by Bai Shouyi 4101 1108 1744; not translated]

### **The Principle of Party Spirit in Journalism Is Unshakable—Commenting on the Theory 'The People's Spirit Is Above Party Spirit'**

HK2109002189 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 17, 1 Sep 89 pp 13-17

[Article by Wang Jue 3769 3778 of the Beijing Broadcasting College]

[Text] In the recent turmoil and rebellion, many newspapers, magazines, and radio and television stations made serious mistakes in guiding public opinion. While this may be attributed to the erroneous guidance of a small number of leading comrades of the central leadership at that time, profound ideological causes can also be found among the journalists themselves. Under the impact of bourgeois liberalization, there have long existing fundamental differences on major theoretical issues in the field of journalism. This has been reflected mainly in the fact that some people have negated the principle of party spirit in journalism, negated the role of the party paper as the party's mouthpiece, and negated the revolutionary traditions of party journalism. They have ridiculed the ideas of "party spirit," being a "mouthpiece" and "traditions" as parts of the outmoded "journalism of the revolutionary bases," alleging that its conservative, ossified, and "worn-out concepts" pose an immense ideological barrier to reform of the media and constitute a "gordian knot." The real cause of this divergence of views lies in the fundamental antagonism between the principle of party spirit in socialist journalism and the absence of party spirit in bourgeois journalism. During the past 2 years, in particular, this so-called "nonparty spirit" has become increasingly acute in the field of journalism and has produced among some of our comrades widespread ideological chaos in terms of orientation. The main reason for the emergence of this phenomenon is that Comrade Zhao Ziyang has taken a passive approach toward adherence to the four cardinal principles, neglected ideological work, relaxed party propaganda and the grasping of the party's ideological line, and supported and abetted the unchecked spread of bourgeois liberalization.

The principle of party spirit in journalism is the fundamental principle of socialist journalism. Strictly speaking, the principle of party spirit in journalism covers the following aspects: The scientific nature of the guiding ideology of Marxism-Leninism; the advanced class nature of the working class; one's awareness in accepting the party's leadership; the staunch organizational spirit and discipline of party members; the firmness and militant spirit needed in propagating and defending the party's program, line, principles, and policies; the mass viewpoint and mass line of serving the people and relying on the people in everything; and the democratic approach of keeping the people informed of major developments and calling on the people to discuss major issues. Party spirit is incomplete if any of these aspects is absent or impaired. The principle of party spirit is the cornerstone of proletarian journalism. It is also the fundamental guarantee for socialist journalism to keep to the correct political orientation. Under the situation of reform and opening the country to the outside world, making a continuous effort to enhance party spirit in journalism and strengthening and improving the party's leadership in media and propaganda work constitute the lifeline for ensuring the healthy development of media reform and for developing socialist journalism with Chinese characteristics. Subjective motives aside, any idea, words, or deeds aimed at debasing, weakening, shaking, or liquidating the principle of party spirit will inevitably produce the objective result of harming the cause of socialist journalism.

However, for many years Comrade Hu Jiwei has upheld the view that "the people's spirit is above party spirit," maintaining that party spirit must be subordinate to the people's spirit. It is said that this is the only way to safeguard the people's interests and reflect the people's calls, desires, and demands. Seen in this light, adherence to the principle of party spirit may result in the people's interests not being safeguarded, or even being harmed, and will not reflect and may even suppress the people's calls, desires, and demands.

This kind of theory essentially reduces the principle of party spirit in journalism into something that represents the party's interests but not the people's interests. It completely separates party spirit from the people's interests and sets the two as opposites. This is a gross distortion of the principle of party spirit. The party spirit of socialist journalism not only represents the interests of the working class, it also embodies the correct integration of the partial and overall interests, immediate and long-term interests of the broadest masses of the people. Party spirit that does not represent and reflect the interests, desires, and demands of the people is not what we would regard as genuine party spirit. If, ignoring the actual content of the principle of party spirit, we arbitrarily take away some of its inseparable components and put "the people's spirit" above party spirit, we are bound to create confusion on the theoretical and logical plane. Objectively, this will only shake and weaken the party's leadership.

This kind of theory is very harmful and will invariably lead to the development of unhealthy trends in journalism and propaganda. For a fairly long time in the past, propaganda and news reporting by many media units have been noticeably weak in calls for adherence to the four cardinal principles and in party spirit. On the political level, they have not maintained a unified stand with the party Central Committee or maintained a clear-cut stand in opposing and fighting bourgeois liberalization. They have even gone as far as publicizing ideas that run counter to the four cardinal principles on the media front. For instance, when our judiciary organs were making an effort to ban reactionary underground publications that openly called for the subversion of the socialist system and the overthrow of the Communist Party, the party press actually carried articles decrying the practice of "punishing people for their pronouncements," arguing that spreading counterrevolutionary views did not constitute a counterrevolutionary act. Some newspapers, magazines, and radio and TV stations even openly publicized the superiority of the private ownership system and attacked the public ownership system. They spread bourgeois individualistic notions, such as "subjectively serving oneself and objectively serving the public" and "man is selfish by nature." They openly criticized the revolutionary slogan of "fearing neither hardship nor death," to the strong resentment of the PLA [People's Liberation Army] commanders and fighters who defended the sacred frontiers of the motherland with their blood and lives in the self-defensive counterattack against Vietnam. Without making any analysis, they one-sidedly sang the praises of Western freedom and democracy, totally negated Chinese culture and traditions, and distorted and smeared the history of revolution and construction led by the party. All these have created immense ideological confusion among the masses and produced extremely destructive political influence at home and abroad.

During the recent turmoil and rebellion, many media units not only lost their combat readiness and sense of responsibility to society, but took an erroneous stand by fully acknowledging and actively supporting the demonstrations, sit-ins, and hunger strikes plotted and instigated by the small number of turmoil organizers. They brought pressure to bear on the party and the government by wrongly guiding public opinion. Even Hong Kong mass media expressed their surprise over this unique phenomenon. Some people felt perplexed as to why "newspapers run by the party are speaking against the party." Under such circumstances, the fasting students felt as though they were on the back of the tiger and found it difficult to get off. Many teachers and parents of the students wrote to or called leading organs, press organizations, and radio and TV stations, asking them not to report mass support for the students and not to force the students on to the path of death, and to stop this kind of "killing by creating public opinion."

The above-mentioned phenomena are the natural outcome of the malignant growth of ideological confusion in

the media circles. For a long time, the media has publicized all kinds of bourgeois media views, highlighting "the people's spirit" while downplaying, weakening, and liquidating party spirit, and reducing the awareness of the media people in upholding party spirit and serving as a mouthpiece.

A major argument by which people used the idea of "the people's spirit is above party spirit" to support their own theories is that many grave mistakes have been made in media work in the past and that these mistakes were due to the practice over many years of stressing party spirit and not stressing the people's spirit. As if by prior agreement, comrades who held this view all cited as their example the serious mistakes made by the media in the antirightist movement in 1957, the Great Leap Forward in 1958, and the Cultural Revolution, arguing that the cause of these mistakes was adherence to the principle of party spirit. This conclusion is neither scientific nor correct. It should be pointed out that mistakes made by the media in 1957 and 1958 were caused by the erroneous influence of the "leftist" guiding ideology. After all, it was because we violated the principle of party spirit and not because we upheld the principle of party spirit that we departed from the Marxist ideological line of seeking truth from facts. As for the deeds perpetrated by Lin Biao and the gang of four in the media under their tight grip during the Cultural Revolution, they could only be attributed to reactionary factionalism and had nothing to do with proletarian party spirit. The theory that mistakes in media work in the past are due to the practice of stressing only party spirit and not stressing the people's spirit is wrong in that it confounds issues that appear similar but are essentially different, makes far-fetched comparisons between mistakes on the one hand and the party's leadership and the principle of party spirit on the other, and describes the few special occasions when mistakes were made as something of a general rule. Such a theory can only cause people to come to the conclusion that only by breaking free from the party's leadership will the media be able to avoid making mistakes, and that only by removing the principle of party spirit from its domain will the media be able to truly reflect the interests of the people.

In 1979 Comrade Deng Xiaoping pointed out, "Without the CPC, who would organize the socialist economy, politics, military affairs, and culture of China, and who would organize the four modernizations? In today's China we can never dispense with leadership by the party and extol the spontaneity of the masses. Party leadership, of course is not infallible, and the problem of how the party can maintain close links with the masses and exercise correct and effective leadership is still one that we must seriously study and try to solve. But this can never be made a pretext for demanding the weakening or liquidation of party leadership. Our party has made many errors, but each time the errors were corrected by relying on the party organization, not by discarding it. The present Central Committee is persistent in promoting democracy in the party and among the

people and is determined to correct past errors. Under these circumstances, it would be all the more intolerable to the masses of our people to demand the liquidation or even the weakening of leadership by the party. In fact, bowing to this demand would lead only to anarchism and the disruption and ruin of the socialist cause." What an excellent speech! Comrade Deng Xiaoping spoke with the erroneous tendency of attempting to liquidate or weaken the party's leadership in mind, but this speech also hit at the intention to shake off the party's leadership over the media that underlies the viewpoint of "the people's spirit is above party spirit."

Since "the people's spirit" was stressed, we could perhaps assume that comrades who held this view supported the fundamental interests and desires of the broad masses of the people and agreed that socialism and socialist modernization should be developed in China. However, history has already proved that "without the Communist Party there would be no New China." Socialism and the cause of modernization also need the leadership of the Communist Party. The socialist economy, politics, military affairs, and culture of China (naturally the media is also included) can only be organized and led by the party. Why should the media need to break free from the party's leadership? As noted above, the principle of party spirit already represents and reflects the fundamental interests of the people. Why should these people demand that party spirit be replaced by "the people's spirit"? It is true that our party has made errors, but then these errors have been corrected by the party itself. Errors cannot be corrected by relying on the media and public opinion. This could not be done in the past, cannot be done now, and simply will not be possible in the future. While the supervisory role of the media has an important role to play in preventing our party from making errors and in correcting errors, this role is one of the necessary tasks of the socialist media, and properly bringing this role into play is a true expression of the principle of party spirit. In short, socialist media is essentially different from capitalist media. It is not the tool of certain individuals or consortiums, neither is it the tool with which different parties and factions attack one another. Rather, it is the mouthpiece of the party, the government, and the people, the cog and the wheel in material and spiritual development. It cannot sit above the party and the people. Neither is it a "third force," independent of the cause of socialism. The view that the press must be independent, that the confines of the four cardinal principles must be broken down in order to ensure freedom of speech, and that newspapers are by nature free and not subject to the control of government authority and political groups are both erroneous and harmful.

During the recent turmoil, some media units were seen to have grossly violated organizational discipline and propaganda discipline. The theory that "the people's spirit is above party spirit" which has been much publicized during the past decade is undeniably an important ideological reason why so many media workers lost their

direction in the cause of the great political storm. Let us take a look at the following passage from "A Statement in Support of Students" written by some of the editors and reporters of a central media unit on 16 May: "In the art of leadership with checks at every level, the media is truncated. We are aware that as the mouthpiece of the party and the people we should speak for the party as well as for the people. When the party makes errors we have the duty to remind the party and make it listen to the calls of the people. This is our wish. Time and again we have tried to do just that, but to no avail. Instead, we have cut our own throat. We have painfully to admit that we are but tools of propaganda." Is this not a vivid embodiment of the theory that "the people's spirit is above party spirit"? Just as Comrade Deng Xiaoping had noted in his speech 10 years ago, this could lead only to anarchism. This has been fully borne out by the chaos in Beijing not long ago.

It cannot be denied that the so-called "people's spirit" is but a beguiling banner that covers the real intention of weakening and liquidating the party's leadership. Comrade Hu Jiwei, who invented and publicized the theory that "the people's spirit is above party spirit," has himself joined the chorus of the small number of people who tried to lift martial law and overthrow the government through pressing for an emergency meeting of the NPC [National People's Congress] Standing Committee. The martial law declared by the State Council on 20 May dealt a serious blow to the plotters and organizers of the turmoil. They were thrown into confusion and felt frightened and were in despair. On the other hand, the broad masses of the people felt confident and assured that the party and the government would be able to bring the chaos under control. However, when the Stone Research Institute was entrusted by Comrade Hu Jiwei to enlist the support of members of the NPC Standing Committee, it alleged that the people had lost hope in the central leadership and in the government and had pinned their hopes on the NPC. Comrade Hu Jiwei started to preach the notion of "the people's spirit is above party spirit" 10 years ago. With the passage of time, his thoughts became what they are today. Perhaps even he himself did not expect this to happen.

Another "theoretical basis" of the theory that "the people's spirit is above party spirit" is that "party spirit emanates from the people's spirit." First, it must be pointed out that this idea runs counter to the Marxist-Leninist viewpoint of class analysis. The people are divided into classes. As a concept of historical category, the term "the people" covers different strata in different countries and different historical periods. Lenin pointed out that Marx always opposed without mercy the petit bourgeois illusion that holds that "the people" are identical and that there is no class struggle among the people. When Marx used the term "the people," he never used it to obliterate the differences between various classes. Rather, he used the term to integrate the determined constituents that can carry the revolution through to the end. In the new historical period in China, the theory of



"taking class struggle as the key link" must be thoroughly negated. However, when using the term "the people," we still should not give up the method of class analysis. As a matter of fact, since the 3d Plenary Session of the 11th CPC Central Committee, the struggle between adherence to the four cardinal principles and bourgeois liberalization has never ceased. The fact that the recent turmoil plotted by a small number of people has developed into a counterrevolutionary rebellion is a typical example of the intensification of class struggle within a given scope. This being the case, to what class, strata, or social group does the notion that "party spirit emanates from the people's spirit" owe its birth? Even within the working class itself, there are the advanced, the middle, and the backward. It is wrong to assert, without analysis, that "party spirit emanates from the people's spirit."

Second, this theory betrays Marxism's basic tenets on relations between classes and political parties. Historical materialism holds that all party spirit emanates from class spirit. Most political parties are formed by those backbone elements who are politically most active within their respective classes. They all have political programs that reflect the interests, will, and ideology of their class, are supported by their own people, and become the nucleus, organizer, and leader of their respective classes. Thus, we say that party spirit is the concentrated expression of class spirit. Proletarian party spirit is the concentrated expression of proletarian class spirit. In other words, proletarian party spirit emanates from the class characteristics of the proletariat, which represents the advanced productive forces and relations of production. At the same time, because it is guided by the scientific world outlook of Marxism-Leninism, the party spirit emanating from proletarian class spirit is systematic, well-reasoned, and, therefore, more scientific. It is manifested in concrete terms through the party's program, line, principles, and policies, and represents the fundamental interests of the proletariat and the broadest masses of the people. If, without prior analysis, we use the notion that "party spirit emanates from the people's spirit" to substantiate the theory that "the people's spirit is above party spirit," we are bound to obliterate the class spirit on which party spirit is based and which the latter represents. In the end, we will ignore party spirit and fall into the quagmire of the so-called "nonparty" spirit.

"Nonparty spirit is a bourgeois notion" (Lenin's words). In recent years, large numbers of Western journalistic works have been published without prior selection and discussion. As components of the ideology of capitalist societies, they are bound to be full of bourgeois philosophical ideas, political views, values, and moral concepts. Western journalism has the common ideological and cultural features of capitalist societies and is distinguished by its "nonparty spirit."

Like "nonclass spirit" and "supraclass spirit," "nonparty spirit" also seeks to cover up its class nature under which ideology and culture both serve the bourgeoisie. Without this beguiling banner, their pipe dream of

making the working people accept their ideology will fail. Marx and Engels had this to say in *On German Ideology*: "Under the banners of 'nonparty spirit' and 'supraclass spirit,' the protectors of bourgeois interests 'spoke of their own interests as the common interests of the whole society. In more abstract terms, they universalized their own ideas, depicting them as the only reasonable ideology of universal significance.'" Lenin also said, when exposing the hypocrisy of ideas of "nonparty spirit," that in capitalist societies, "nonparty spirit is a bourgeois notion, while party spirit is a socialist notion." "Nonparty spirit is but the hypocritical, concealed, and passive behavior of attaching oneself to political parties of the affluent, political parties of the rulers, and political parties of the exploiters." Having stripped this camouflage, it is not difficult to understand why the Voice of America, which has always bragged about its "objective," "impartial," "truthful," and "all-round" coverage and boasted about its "consistently reliable and authoritative source," has spread a pack of rumors during the recent rebellion and perpetrated so many despicable deeds by viciously slinging mud at China, stirring up and instigating trouble, and engaging in libel and slander.

In the historical period when the socialist and capitalist ideological and social systems are fundamentally opposed to each other, all newspapers, magazines, and radio and TV stations are class tools of public opinion, belonging to one class or another. They all have party spirit, either proletarian or bourgeois. There are no such things as "supraclass" and "nonparty" newspapers, magazines, radio and TV stations, and journalism. This is the basic viewpoint of Marxist journalism on the essential attributes of modern journalism, as well as the correct reflection of the laws of journalism. This will not become an "outmoded" and "hackneyed concept" in the next dozen or even hundreds of years. If people really must prove the "supraclass" or "nonparty spirit" of journalism, they are bound to find their purpose self-defeating, just like the inventing the "perpetual-motion machine," which serves no other purpose than producing "useless energy." Under the leadership of the party and under the precondition of strengthening the people's awareness of party spirit and propaganda, it is, of course, well worth studying how to improve the art of propaganda and avoid or minimize oversimplistic, rigid, crude, and undisguised "propagandism" in order to achieve optimum propaganda effects. However, this is not the issue here. As Comrade Deng Xiaoping noted before, the problem of how the party can "exercise correct and effective leadership is still one that we must study seriously and resolve. But this can never be made a pretext for demanding the weakening or liquidation of the party's leadership."

The concept of "nonparty spirit" has done great service to bourgeois interests and is a protective talisman for the capitalist system. To the socialist media workers, however, it is an ablative agent, a narcotic drug. If our comrades fall captive to the concept of "nonparty spirit" and begin to worship, publicize, and practice this concept, they would be ideologically disarmed and would

lose their revolutionary vigilance. Should this happen, our propaganda and ideological front will become defenseless.

During the past decades, international anticommunist forces have never given up their hope of subjugating the communist cause and have always pushed their strategy of "peaceful evolution" vis-a-vis the socialist countries. By stepping up their "propaganda warfare" and "radio warfare" through cultural exchanges and international broadcasts, Western countries have transmitted capitalist notions of democracy, freedom, human rights, and ethics into China in a vain attempt to achieve their strategic objective of "winning without waging a war." In an international environment such as this, our cause will suffer catastrophic consequences if we allow the concept of "nonparty spirit" to spread unchecked. This should arouse the vigilance of all comrades working on the propaganda and ideological fronts of our party.

The importance of party spirit in journalism is unshakable. We can forget about the theory that "the people's spirit is above party spirit." The concept of "nonparty spirit" must be eliminated. We must maintain a clear-cut stand of adhering to the four cardinal principles and wage a sustained and unstinting struggle against bourgeois liberalization. We must not overlook such fundamental questions as the orientation and road of the mass media, the leadership core and guiding ideology of the media, as well as the strengthening of media ranks. Only in this way can healthy, in-depth media reform develop. A creative process which embodies the organic integration of three tasks, namely inheritance of the revolutionary traditions of proletarian journalism, the summing up of fresh experience in media reform, and assimilation of the scientific elements in foreign journalism, is the only way to develop socialist journalism with Chinese characteristics.

### What Do the Changes in the Shoudu Iron and Steel Complex Show?

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#### [Text] I. Great Development and Changes

Shoudu Iron and Steel Complex is an old enterprise with a 70-year history; it was founded in 1919. Although it was called an iron and steel works, no steel was ever turned out, only iron. In the 30 years to the end of 1948, the total iron output was only 286,000 tons, equal to today's monthly output. Since 1949 it has gone through major expansion and transformation with government investment on several occasions, and its scope has grown with the production of steel and steel products. It has been gradually shaped into a large iron and steel complex handling the whole process from mining ore to rolling steel. In 1978, the year before reform, the complex produced 3.29 million tons of ore concentrate each year,

2.44 million tons of pig iron, 1.8 million tons of steel, and 1.17 million tons of steel products. Under the shackles of the old structure, however, the complex was tightly bound and its productive forces underdeveloped, with few varieties and rather low economic results. The complex's tremendous potential was not being fully tapped.

In the wake of the 3d Plenary Session of the 11th CPC Central Committee, the government nominated eight enterprises to conduct experiments in reform, the only large enterprise was Shoudu Iron and Steel Complex. Later, the complex became the first large enterprise to implement the contracted responsibility system. Thus, Shoudu Iron and Steel Complex ushered in a new phase of development through reform. The 10-year reform has seen the complex enjoy its fastest growth and the highest economic results in its history, and the great changes in the complex's features are quite beyond our expectation.

1. For 10 consecutive years the complex has realized an average annual increase in profit of 20 percent. It realized a profit of 299 million yuan in 1978. In 1988 this was 1.614 billion yuan, up 4.4-fold during the past 10 years, with an average annual increase of 20 percent. The growth in profits has been an extremely tough job. Between 1979 and 1988 the profit increase due to government price readjustments of iron and steel products was 320 million yuan; whereas profit decreases due to rises in the cost of fuel, raw materials, and transportation was 484 million yuan, leaving a gap of 164 million yuan. We have managed to keep an average annual 20-percent increase in our net profits by digesting the factors of profit decrease. Comparing 1988 with 1978, the average annual profit increase was still 20 percent, if the profits realized in 1988 are calculated in 1978 constant prices.

The rate of profits and taxes handed over to the state, which reflects the enterprise's comprehensive economic results, was 25.67 percent in 1978 and 60.67 percent in 1988, up 1.36-fold. During the 10-year reform the complex's productivity, calculated by net output value (including depreciation), as the universal way of calculation, has increased 2.6-fold, with an average annual increase rate of 13.66 percent, as high as the world's advanced level. During the same period, per capita profits and taxes calculated in the universal way have increased 3.74-fold, with an average annual increase rate of 16.85 percent. This is also the world's fastest.

2. The increased volume of steel products was equal to the output of a large-type iron and steel works. The output of finished steel products was 1.17 million tons in 1978 and 3.14 million tons in 1988, a net increase of 1.97 million tons. This was realized simply by tapping the potential and transforming and improving the comprehensive productive forces ranging from mining to finished products. The increased output signifies an additional large-type iron and steel works for the nation. Over the past 10 years the complex has supplied society with an additional 8.8 million tons of commodity steel

products and 1.839 million tons of commodity iron. Quality has improved universally together with the growth in quantity, while variety has increased greatly and depletion was continuously cut back. The ratio of steel products is 69.4 percent of world standards, with a coverage rate of 75 percent of world standards. Nine products have been awarded national gold or silver prizes, 46 varieties have been assessed by the Ministry of Metallurgical Industry as good-quality products, and another 76 varieties assessed as Beijing good-quality products. Since reform, the complex has succeeded in developing 137 new products, which have all been put into production. As a means of judging the level of economizing on energy resources, the comparable per ton energy consumption index was 1,247 kilograms [kg], which was reduced to 864.5 kg in 1988. This is up to the world's advanced level.

3. Shoudu Iron and Steel Complex has doubled its contributions to government revenues. Some 1.117 billion yuan in profits and taxes were handed over to the state, which is three times that in 1978; and the average annual increase was 11.6 percent over the past 10 years. Profits handed over to the state in 1988 were double the profits realized in 1978. In the 30 years prior to reform, the complex handed over 3.629 billion yuan in profits and taxes to the state. When the volume of investments was deducted, this was only 1.557 billion yuan. In return, the state spent 1.665 billion yuan on the complex in new fixed assets. Thus, the state's net revenues from the complex were only 3.222 billion yuan, averaging 107 million yuan annually. During the 10-year reform the complex has handed over 7 billion yuan in accumulated funds. At the same time, the state stopped returning investments to the complex when the contracted responsibility system was implemented, and the complex has increased new fixed assets by 2.6 billion yuan through its own self-collected funds. These two items add up to 9.6 billion yuan, with an average annual contribution to the state of close to 1 billion yuan, a sum equal to approximately nine times the average annual contributions to the state in the 30 years prior to reform.

4. Modernization has been achieved with the transformation of major equipment. Many new technologies have been adopted in the equipment transformation of the No 2, No 3, and No 4 blast furnaces; the No 1 sintering furnace department; the No 2 wire rod workshop; the steel mill; and the thermal power station, with world-level program control in production realized. The newly developed eight-step processing machine for the continuous casting of small stock has formed a whole range with a 210-ton converter and is regarded by our foreign colleagues as the world's largest and most advanced production line for continuous casting of small stock. Through transformation, Qianan Iron Mine under the complex has become China's largest iron mine, with the highest output and the best ore concentrate products.

With continuous improvement in equipment and operational standards, the complex now ranks first in 33 of the 55 major technological and economic indexes of the

country's key iron and steel enterprises. The standards of ore concentrate products, use rate of blast furnaces, coke rationing, and comparable energy consumption per ton of steel are all up to world advanced levels. The complex now boasts 32 patent rights, the highest number in China's enterprises. It has succeeded in designing and developing the technologies of coal feeding for blast furnaces and top-combustion hot air heaters, which have also been exported to Europe and the United States.

5. The complex's environmental control and beautification are up to the advanced level of the world's industrially developed nations. We have conducted overall treatment of such pollutants as waste gases, water, residues, and dust. One-fifth of the investment in technological transformation has been spent in treating pollution, with 653 environmental protection items completed during the past 10 years. In 1987 the comprehensive pollutant discharge rate was up to national grade-A enterprise standards. The complex has also removed old and unsafe buildings and cleared up all waste and garbage. Flowers and trees have been planted, turf laid, and scenic spots established. The landscaped area in the complex area has risen from 7 percent in 1978 to 29.5 percent today. The complex has become an advanced unit in environmental protection and beautification in the metallurgical industry and in the nation as a whole.

6. The complex has established a computerized managerial system with Chinese characteristics. The implementation of the contracted responsibility system has enabled the change from qualitative to quantitative control, with minute regulations for standards, procedures, and coordinated relationships stipulated. This has created conditions for the development of software for computerized control. Beginning in July 1982, we imported hardware with a rather large processing capacity for the Chinese language. With the joint efforts of its experts in computer science and the professions, the complex began designing its own software based on China's relevant policies, institutions, and decrees, and the complex's contracted managerial responsibility system, thus establishing its own three-level computerized managerial network. Today, the complex has linked its chief operational system to 220 production control program computers and 306 managerial computers through 19 control centers with 216 terminals. It has also developed and put to use 1,001 informative operational items, including daily production cost accounting and forecasting.

7. The complex has made a breakthrough in transregional and transprofessional operations and developments. Through implementation of the contracted responsibility system since reform, and now that it possesses increasing capital through self-accumulation, the complex has been able to select the direction for investments to develop transprofessional operations based on the needs of national economic development. Today, the complex has been shaped into a pattern with the iron and steel industry as the key while it operates

other trades. During the 10-year reform it has conducted two large-scale mergers. The first was in 1983 when 17 ferrous metal firms, originally under the jurisdiction of Beijing Municipal Administration of Metallurgical Industry, were merged into Shoudu Iron and Steel Complex. In the very same year these firms increased their profits by 25 percent and have continued to increase their profits at an average annual rate of 20 percent. Between 1988 and today, another 24 firms have been merged into the complex, and it has purchased 70 percent of the holdings of the U.S. Master [mai si ta 7796 2448 1044] Engineering Corporation. The complex has set up 22 marketing networks or spots and corporations of monopoly investments or joint-ventures with Chinese and foreign investments in 12 countries and regions overseas. Today, the complex boasts 103 firms. In addition, it has 27 cooperative enterprises and 6 joint ventures with Chinese and foreign investments in China. These enterprises are spread over 18 provinces and cities nationwide. The complex now operates in 14 trades, having expanded from the iron and steel industry to electronics, machine building, building, light industry, chemicals, nonferrous metals, ship-building, and the tourism.

8. Improvements in the living standards of workers and staff has exceeded those in the 30 years prior to reform. In 1988 the complex's monthly income was 208 yuan per capita, up by 2.4 times from 61 yuan in 1978. During the 10-year reform 1.33 square meters of floor space for housing workers and staff members has been added. This is twice the total floor space built for workers and staff members in the 30 years prior to reform. A total of 19,391 households were moved into new living quarters, and readjustment was conducted among 10,186 households suffering from overcrowded housing conditions. To form a whole range in residential areas, 130,000 square meters of floor space has been built for schools, kindergartens, stores, restaurants, and garment processing to render services for people's daily lives; and children's daycare, schooling, and supply conditions have been improved. A total of 9.996 million yuan has been invested in medical care, with 19,300 square meters of new floor space built for the voluminous new medical equipment. Consequently, marked improvements have been made in the conditions for medical care among workers and staff members. Some 240,000 square meters of floor space have also been built for the complex's cultural equipment, such as a club, gymnasium, library, and swimming pool. At the same time, 36 associations for cultural, entertainment, and sports activities have been established; and the cultural lives of workers and staff members after work have become increasingly rich and colorful.

## II. Socialist Enterprises Can Be Run Increasingly Better With Each Passing Day

Why is it possible for these tremendous changes to have taken place in Shoudu Iron and Steel Complex? What do the changes account for?

The complex's development and changes can be boiled down to one sentence, namely: They are the result of adhering to the four cardinal principles, reform, and opening up to the world, and with the two basic points being unified.

The main body of the socialist economy of public ownership is in large and medium-size enterprises under ownership by the whole people. To give play to the advantages of the socialist system, it is imperative to rejuvenate large and medium-size enterprises under ownership by the whole people if they are capable of being rejuvenated. From the very beginning of reform we proposed an explicit guiding idea: Reform must be based on giving play to the advantages of the socialist system of public ownership, creating higher efficiency and economic results than capitalism, and eventually proving that the socialist system is superior to the capitalist system. The basic practice in the Shoudu Iron and Steel Complex during the 10-year reform was precisely in the great efforts to explore a new way for the complex to adhere to ownership by the whole people and endow it with vitality and vigor.

### A. Adhere to implementing the contracted responsibility system while continuously making it complete and perfect.

It is necessary to rejuvenate enterprises through reform without changing the ownership by the whole people. That is the requirement of the party's basic line of "one center, two basic points" on enterprise reform and is the correct orientation of China's enterprise reform. Some people have set rejuvenation in opposition to ownership by the whole people, believing that rejuvenation is possible only by converting public ownership to private ownership and by privatizing public ownership enterprises. Others believe that adherence to ownership by the whole people will only mean returning to the old ways of the product economy and bringing the enterprises back under rigid control. The complex's practice during the 10-year reform is evidence that adherence to ownership by the whole people and rejuvenation of enterprises can and must be unified, with the contracted responsibility system the very point at which the two are unified.

The contracted responsibility system implemented in Shoudu Iron and Steel Complex is the system of sharing profits at a base figure, plus a progressive share of the excess amount. Profits handed over to the state are based on the total profits during the previous year, minus the profits retained by the enterprise during the current year (accounting for 12.9 percent of profits), with an annual progressive increase of 7.2 percent. An additional 15 percent of the excess amount is handed over to the state for the fund for developing energy resources and transportation along with building taxes; the rest is retained by the enterprise. Of the retained profits, 60 percent goes to production development, 20 percent to collective welfare, and the remaining 20 percent to the wages and bonus fund. Wages are linked to, and float with, the increase and decrease in realized profits. The duty and task of each worker and staff member in the enterprise is

made explicit with the implementation of an internal contracted responsibility system by which responsibility, guarantees, and checks are implemented with regard to each individual at every level. In this way the complex has organized thousands of workers and staff members into a close-knit, harmonious, and integral labor combination.

The role and significance of the contracted responsibility system are great:

First, the system has reformed the relationship between the enterprise and the state and has enabled the enterprise to reinvigorate itself with the prerequisite of adhering to ownership by the whole people.

Since the complex implemented the system of sharing profits at a base figure plus a progressive share of the excess, aside from paying taxes to the state according to regulations, it has handed part of its profits to the state as proprietor of production materials. This has guaranteed the complex's nature as an enterprise under ownership by the whole people. At the same time, all production materials, including the fixed assets newly acquired with retained funds, are still owned by the whole people. This has guaranteed the integrity of property ownership by the whole people. While performing contracted responsibility, the enterprise is endowed with certain rights to autonomous management, including the right to manage the excess profits, to market part of its products on its own, and to make investments within a certain realm. In this way it is possible for the complex to get rid of the passivity whereby it had to obey a supervising organ in everything and to make arrangements for the enterprise's transformation on its own, develop and improve the living standards of its workers and staff members, and gradually invigorate itself.

In the wake of implementing the contracted responsibility system, enterprises under ownership by the whole people are unable to have a genuine say in management and to assume sole responsibility for profits and losses. Some people believe that the property rights of enterprises under ownership by the whole people are not explicit enough and that assuming sole responsibility for losses and profits is impossible under such conditions. To implement assuming sole responsibility for profits and losses, property rights must be made explicit and private ownership adopted. The contracted responsibility we are implementing is to make enterprise a commodity producer with its own initiative in management and to assume sole responsibility for profits and losses under the prerequisite of adhering to ownership by the whole people. In the wake of implementing the contracted responsibility system, the enterprise must hand over profits to the state in accordance with the contracted base figure plus a progressive share of the excess amount. Failure to do this will require the enterprise to cover the base figure with its own funds. Consequently, the enterprise's own development and improvement in the material and cultural lives of its workers and staff members will suffer. The greater the amount of

excess profits, the greater the portion of retained profits. The enterprise will have to bear responsibility for losses; moreover, it benefits only when its profits exceed the volume of profits plus a progressive share of the excess amount. In actuality, this has gone beyond the category of production costs because the enterprise has to assume sole responsibility for profits and losses by taking greater risks. Assuming sole responsibility for profits and losses through implementing the contracted responsibility system has posed greater requirements for development of the enterprise's operations and has become a strong mechanism for self-stimulation. The enterprise will inevitably and consciously formulate an operational goal that maintains, by a wide margin, continuous growth in economic results through conscious and constant pursuit of higher profits.

Some people believe that socialist ownership by the whole people will inevitably be low in efficiency, with no one bearing responsibility. Therefore, their solution to this problem is to change the ownership system. In reality, the phenomenon of no one bearing responsibility in enterprises under ownership by the whole people does not have its roots in the ownership itself, but in the failure to find a suitable way for all workers and staff in the enterprise to take responsibility as masters. The contracted responsibility system is precisely one that enables all workers and staff members at enterprises under ownership by the whole people to assume explicit responsibility toward all the people and the state with the organic combination of responsibility, rights, and interests achieved. In the wake of implementation of contracted responsibility in enterprise, the most conspicuous change can be the sense of responsibility and initiatives of the workers and staff members as masters of the enterprise. Hence, this is the basic solution to the problem of nobody bearing responsibility.

Second, the implementation of contracted responsibility involves all workers and staff, who run the enterprise as its masters.

Economic and political structural reform permeate and promote each other and must be conducted simultaneously over a whole range. The aim of political structural reform is to build socialist democratic politics with Chinese characteristics. Its core is for the people to become the masters of the country while genuinely enjoying all kinds of civil rights and the right to run the state and the enterprise. Such democracy is based on the institutionalization of economic democracy and democratic life at the grassroots, and democracy as such is practical and responsible.

Our contracted responsibility system involves the enterprise's main body, namely all workers and staff, and not just a few individual managers. The workers and staff members bear responsibility and fulfill obligations to the state and to all people in their double capacities as laborers and owners of the production materials of ownership by the whole people. Such responsibility and obligations are specifically implemented with regard to

every individual through the enterprise's internal contracted responsibility system on the basis of division of labor. Under such a system the individual's fate is closely linked to the rise or decline and success or failure of the enterprise. Thus, the sense of being masters has intensified among workers and staff, and arising therefrom is the strong demand for democracy. This is embodied in the demands to further abolish the highly concentrated managerial structure and for greater autonomy for the enterprise in management and operation. On the other hand is the demand to share the power endowed by the government to the enterprise among all workers and staff and to implement democratization and openness in the enterprise regarding all important decisionmaking, distribution of wages and bonuses, and the selection and supervision of cadres. It was precisely under such circumstances that we explored and founded a wide-ranging, new-type leadership system characterized by unified democratic centralism and the workers and staff as masters.

The enterprise's highest power organ is the workers' congress, and the factory committee exercises power when the congress is not in session. Decisions on all important issues are made collectively by the factory committee, who will submit to the discussions of the body of workers and staff when necessary. In implementing decisions, the manager is responsible for unified command, while the party committee will take care of political guidance in all items of enterprise work. The workers' congress will elect a committee for the administration of the workers' livelihood to direct the collective welfare undertakings of workers and staff; a supervisory committee to implement democratic supervision of cadres at all levels; and a committee for "two examinations," whereby any worker can get a promotion through examination and checking.

Third, the implementation of linking rewards to contributions embodies the principle of distribution according to work.

Distribution according to work is an essential characteristic of socialism. Under the socialist commodity economy, however, a good solution to the implementation of distribution according to work is not yet on the horizon. Shoudu Iron and Steel Complex has made some breakthroughs in this area by linking rewards to contributions under the precondition of implementing the contracted responsibility system. We believe that, under the socialist commodity economy, the work done by the enterprise's workers and staff does not find direct expression in social labor, and its value can be realized only through commodity exchange. Only by this value can the effects, and the extent with regard to the work done by the enterprise's workers and staff, be determined. Every product of mass production is the fruit of the combined efforts of the enterprise's workers and staff, and such fruit finds focal expression in the enterprise's economic results. Only by linking rewards to the enterprise's economic results will it be possible to genuinely implement distribution according to work.

The complex's distribution according to work finds expression primarily in a 6:2:2 ratio with regard to distribution of the excess profits. The greater the amount of profits realized, the greater the volume of profits retained for the enterprise and the greater the amount going to the collective welfare fund and the wage and bonus fund, each of which account for 20 percent of the excess profits. The collective welfare fund is spent chiefly on building residential houses and other welfare facilities shared by the collective. With the continuous improvement of the enterprise's economic results, the material and cultural lives shared by the collective will also be improved continuously.

The wage and bonus fund is distributed in the ratio of 0.8:1 between the wage volume and the volume of realized profits. Namely, for every 1 percent increase or decrease in profits realized, the wage volume will increase or decrease by 0.08 percent; and the method is implemented in contracted responsibility with, and linked to, the grassroots and every individual. The newly increased wage volume is distributed in three ways: First, with realization of the enterprise's target of profit increase, a new rate linked to wages is determined on an annual basis. Second, on the basis of completing and perfecting the technical and professional grading system and being strict with examination and checking, floating promotions are allowed for a certain proportion of workers and staff members. And third, the issuing of monthly bonuses for fulfilling contracted responsibility is based on an assessment closely linked to the unit's and the individual's task fulfillment. The distribution system adopted by Shoudu Iron and Steel Complex is different from the old wage system characterized by the state's direct distribution to the individual laborer, and it is essentially different from the capitalist system in which the wage is determined by the cost of the labor force; it truly embodies the socialist principle of distribution according to work. The complex has refrained from arbitrarily distributing bonuses in cash or in kind apart from normal wages and bonuses. We believe such a practice of arbitrary distribution of bonuses in cash or in kind involves a lot of money, but does not work because it is unfavorable to improving the quality of the workers and staff members.

Fourth, building a socialist managerial system with Chinese characteristics. Since reform, the complex has created and implemented the system of internal contracted responsibility with division of labor. Generally speaking, the system of internal contracted responsibility with division of labor is a contracted managerial system by which the enterprise bears responsibility for the whole people, the enterprise's operational target, and various indexes and technical work to guarantee target fulfillment. It is the scientific division of labor based on the principle of combining responsibilities, rights, and interests and on the law governing modern mass production. Responsibilities are split at every level and assigned to each individual worker and staff member so that everyone may take some responsibility and work in close cooperation, with strict examination and checkups.

In the course of building the system of contracted responsibility with division of labor, we have successfully applied the fundamental method of enterprise organization and management to "contracted responsibility, guaranteeing and to checking." "Contracted responsibility" means the overall performance of duties and obligations by every unit and individual based on the internal division of labor. "Guaranteeing" means the cooperation and coordination between units, departments, and posts according to regulations. And "checking" means strictly checking up on the fulfillment of indexes to be guaranteed under contracted responsibility and the duties stipulated in division of labor in order to implement distribution according to work. These measures of contracted responsibility, guaranteeing, and checking run through the whole course of the design and operation of the contracted managerial system and are the sound guarantee for organizing the common labor of thousands of people in modern mass production.

We have always persisted in being strict in running the enterprise, in examination and checking, and in reward and punishment. To run the enterprise strictly, managerial authority must be established. However, managerial authority comes into being only by strictly exercising rules and regulations that embody the objective law.

By relying on the masses, the complex has completed and perfected all kinds of rules and regulations through joint efforts from the leadership to the grassroots. In implementing them, the "three 100 percents" have been adhered to, namely, rules and regulations must be carried out 100 percent; cases of violating rules and regulations must be reported 100 percent; and, with regard to those who have violated rules and regulations, their bonuses for that month must be deducted 100 percent. In the beginning many people believed that it was "all too strict." Later, we exerted efforts in the following areas: First, we conducted ideological education, and everyone came to see that with the implementation of the contracted responsibility system in the complex, strict management is the only way to improve economic results and to guarantee the interests of the state, the enterprise, and the individual. Second, we strengthened data control and basic work, which always provide grounds for strictness. And third, leadership at all levels set an example and took the lead in being strict with rules and regulations. In this way, an atmosphere of consciously being strict with rules and regulations has taken shape among workers and staff and a sense of socialist discipline has been consciously established.

**B. "Keep wealth in the enterprise through implementation of contracted responsibility" and accomplish self-accumulation, self-transformation, and self-development.**

Under the old structure characterized by high centralization, all enterprise activities were subject to the unified arrangements of state organs. Social expanded reproduction, including that of the enterprise, must be listed in the national plan along with unified investment. The enterprise's finances were subject to unified state control

over revenues and expenditures, and its products were subject to state monopoly over purchases and marketing. The enterprise was, in essence, an appendage of the state organs. Under such a structure the enterprise was tightly bound and had neither the monetary resources necessary for expanded reproduction nor the right to spend their monetary resources. The state implemented the policy toward the enterprise of killing the goose that laid the golden eggs, and the enterprise failed to improve its economic results. The nation's financial resources dried up with each passing day and then it resorted to further squeezing the enterprise of its monetary resources. The consequence could only be a never-ending malignant cycle.

In reality, under conditions of socialized mass production, the enterprise is the basic unit of social production and the major fountainhead of social wealth. It is necessary to implement a policy to keep wealth in the enterprise so that the enterprise may acquire "cohesiveness" in itself, be capable of achieving expanded reproduction through capital circulation, and fulfill its self-transformation and self-development to strengthen ownership by the whole people.

Since Shoudu Iron and Steel complex implemented the contracted responsibility system, "rigidly contracted indexes have been set, on the one hand, with all restrictions lifted, on the other hand." The complex has acquired the motivation mechanism of retaining all excess profits, which serves as a stimulus for it to continue to create greater profits and to accumulate increasingly greater amounts of flexible financial resources. The complex's retained profit was only 4.92 million yuan in 1978, the year prior to reform; it was 57.49 million yuan in 1981 and 800 million yuan in 1988, amounting to 42.2 percent of the profits and taxes handed over to the state. The total profit retained was 2.8 billion yuan over the past 10 years, accounting for 28.57 percent of the volume of profits and taxes handed over to the state over the same period. Under the precondition of guaranteeing a gradual increase in the state's financial revenues with each passing year, we have relied on ourselves in creating greater capital for expanded reproduction, with capital appreciating continuously. Thus, the scope of our production has been expanded continuously, with the enterprise's potential fully tapped. During the 10-year reform, the complex has completed some 100 key items of technological transformation, realized investments of 3.398 billion yuan in fixed assets, with 220,000 tons of newly acquired equipment, accounting for 60 percent of existing equipment. During the same period, the newly increased profits and taxes were up to 6.81 billion yuan, twice the total investment. The ratio between input and output of investments was 1:2, which is higher than the average 1:0.3 of China's enterprises under ownership by the whole people with independent accounting. The complex has taken the road of self-transformation and self-development, relying on self-accumulation through the following channels:



1. We have conducted renovation and tapped the potential of existing equipment by relying on the masses' hard work and pioneering spirit to gradually extend the scope of capital accumulation. Whether or not primary accumulation would take shape was the prerequisite for fulfillment of self-transformation and self-development under implementation of the contracted responsibility system in the complex. At the initial stage of reform, the funds retained were insignificant. We guided the enthusiasm and creativity of the workers and staff that were sparked off in the wake of the implementation of the contracted responsibility system, toward improving technical operational standards, operation, and management, and we relied on the masses' intelligence to fulfill thousands of reformative items. Between 1981 and 1982, 14,168 proposals on improving production technology, operation, and management were realized, with profits totaling 36.17 million yuan. At the same time, limited funds were spent on production development, with the fulfillment of a number of reform and transformation projects characterized by small input and quick results. On several occasions we conducted renovation and transformation of our 30-ton oxygen converter, Model-850 bloomer, and Model-300 small-type roll. As a result, output has increased by 3.7, 3.4, and 2.7 times, respectively.

2. We have actively adopted new technology to conduct comprehensive transformation of primary equipment. The contracted responsibility system has allowed the complex increasingly greater accumulation and a stronger investment capability. Between 1986 and 1988 the complex realized an average annual investment in fixed assets of 747 million yuan, 4.4 times that of 1978. We lost no time in expanding the scope of technological transformation. This developed swiftly from partial transformation to systematic renovation of equipment by combining both intensive and extensive expanded reproduction. As a result, a still wider favorable cycle of capital circulation has taken shape. While conducting comprehensive transformation of the main body of equipment, we did our best to adopt existing new technical know-how and technology at home and abroad to reach the world's most updated level and to modernize every project undergoing transformation. Since reform, we have conducted comprehensive transformation of three blast furnaces, the No 1 sintering furnace department, the No 2 wire rod factory, and the boiler shop and we have realized computerized automation in production.

3. We have imported low-cost second-hand foreign equipment with self-accumulated funds. This approach has economized investment and stepped up the pace of construction with imported advanced technology to accelerate technological progress. For example, a wide-ranging converter was imported from Belgium in 1985 at a cost close to the price of scrap iron. It took less than 2 years to dismantle, transport, reassemble, and put it into production. When it was up to designed capacity, its annual steel output could be used to turn out an additional 1 million tons of steel products, with an additional

profit of 200 million yuan. The investment was recovered in less than 3 years, whereas the purchase of a steelworks with wide-ranging equipment of the same scope would take between 3 and 5 years and twice the investment.

**C. In the course of reform the political leadership of the party committee must be adhered to and ideological and political work should be augmented.**

With implementation of contracted responsibility, the complex now has the stimulus of material incentives. However, the complex would lose its orientation if the building of spiritual civilization as well as the ideological building of party cells and the contingent of workers and staff were neglected. Therefore, we have persisted in:

—The political leadership of the party committee in the enterprise. The party committee has focused its efforts on guaranteeing and supervising implementation of the party line, principles, and policies and the state laws and institutions. Since reform, the complex's party committee has always regarded guarantee and supervision of the concrete implementation of the party's basic line in the initial phase of socialism as its top-priority task and responsibility. It has developed work centering on "one center, two basic points" by taking a good grasp of fundamental issues of principle involving enterprise reform, in order to guarantee the complex's continuous progress in reform and opening to the outside world along the socialist road. At the same time, the primary responsible party committee members have participated in decisionmaking on all important issues. In this way, they have maintained the complex's socialist orientation. In the course of implementing decisions, the party committee has refrained from intervening in the manager's command of day-to-day operations and production management. The party committee, however, must have perfect knowledge of progress and should push the manager and director to take responsibility in the operation and command of day-to-day production. Only when the party committee participates in decisionmaking will it be possible to guarantee implementation of the party line, principles, and policies and to guarantee the implementation and realization of decisions. The enterprise's production and construction plans, operational targets, and technical and professional work were fulfilled through the core role of party organizations and the exemplary and pioneering role of party members. We have changed the original system of factory director responsibility under the leadership of the party committee, and we have resisted the practice of placing the party organization under the factory director's leadership, which would mean a weakening of party leadership. The practice by which the party committee implements political leadership will not reduce the director's prestige because the director will mobilize and organize the masses and give better play to his role only by relying on the party organization.



—Augmenting the party organization and giving play to the roles of party cells and party members. Since reform, the complex's party committee has paid special attention to strengthening the building of grass-roots party branches and party groups and has persisted in strict organizational life. It has completed and perfected all kinds of constitutions, strengthened the day-to-day checking and control of party members, and given full play to the core role of party cells. Party members should report their thoughts and the status of their work to party organizations on a monthly basis, and party cells should conduct quarterly analyses of party members' status in giving play to their roles. Should some party members fail to play their exemplary role, they must conduct criticism and self-criticism inside the party group, and those party members who have violated discipline are to be gravely dealt with. The core role of the complex's party organizations and the exemplary role of its party members have been warmly acclaimed by the masses. In 1988, 42 of the complex's workers and staff members were assessed as model laborers in Beijing; of them, 40, or 95.2 percent, were Communist Party members. Of the complex's 69 "pioneers in the four modernizations," 65, or 94.2 percent, were party members. The party's prestige among the masses has grown gradually with each passing year, and the number of activists applying for party membership has increased from 5,000 in 1981 to some 20,000 today. The proportion of party members among the complex's masses has risen from 18.4 percent in 1983 to the present 24.45 percent. We have the experience that a core will surface wherever the masses exist. Should the party organization fail to play the core role, other cores will surface to take its place and that would be dangerous.

—Placing ideological and political work in the enterprise as top priority. Over the years we have always done a good job of handling work concerning people and giving full play to people's initiative, intelligence, and creativity as the groundwork for all work. We have developed ideological and political work by linking it to reality, and have adhered to grasping simultaneously the building of material and spiritual civilizations by combining ideological and political work with economic work and linking the ideal with reality. In this way, our ideological and political work has played the role of educating and stimulating the masses. Work in this area has been conducted by linking to, and merging with, reform. Without convincing ideological and political work, reform could not proceed smoothly. Without reform, ideological and political work would be unacceptable to the masses and the work itself would be weak and fail to genuinely play its role. Our ideological and political work has been conducted by combining with and implementing basic Marxist tenets. In the course of reform, we have adhered to public ownership, workers and staff members being the masters, the socialist aims of production, and the principles that the proletariat should

emancipate themselves, and distribution according to work, and we have resolutely fought against the ideology of bourgeois liberalization. Such practice has guaranteed the rich content of ideological and political work, promoted the heightening of the masses' political consciousness and enthusiasm, and maintained the socialist orientation of reform. In the complex's development, the workers and staff members have seen the advantages of socialism and the hopes of the nation, the enterprise, and the individual. A great rallying force has taken shape, and the consciousness of cherishing socialism, the country, and the collective has been heightened. Common beliefs and interests have formed the body of workers and staff into a collective that works hard to make progress. A fine style, characterized by "seeking truth from facts, being strict and earnest, working in close cooperation, keeping one's end up, and working hard to make progress," is taking shape among the workers and staff. The complex's present proportion of workers and staff with secondary school education through hard study has risen to 42.5 percent from 5 percent prior to reform. A contingent of workers and staff members with lofty ideals, moral integrity, education, and a sense of discipline is growing sturdily.

### **We Must Not Lose the Tradition of Plain Living and Hard Struggle**

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[Article by Li Ziqi 2621 1311 1142, secretary of Gansu Provincial CPC Committee]

[Text] Undoubtedly, the student movement that evolved into disturbance and ultimately culminated in developing into a counterrevolutionary rebellion in Beijing was caused by the long-term bourgeois liberalization running rampant inside the country and was closely related to the external hostile forces carrying out the strategy of "peaceful evolution." However, outside of this, it cannot be denied that our own errors have also become the pretext for an extremely small number of people to stir up the unrest and disturbances. Why did so many people conceive a rather unclear understanding of the nature of this serious political struggle and become more or less involved in it? The reason is their discontent with wide spread corruption in the society, and corruption among government officials who make illegal profits and enjoy luxurious living standards. These people were then deceived by the outcries and slogans of an extremely small number of people. Merciless facts have again told us that we cannot lose the tradition of plain living and hard struggle.

Plain living and hard struggle are the superior tradition formed by our party during the era of the revolutionary war. They are the crystallization of the revolutionary spirit and revolutionary behavior formed in the process of uniting Marxism with actual practices in China's

revolution. Extraordinary plain living in the environment of struggle was the external condition for formation of the tradition of plain living and hard struggle. Our party spirit, mission, ideals, and purpose have been the innate causes for the formation of this tradition of plain living and hard struggle. The spirit and behavior of plain living and hard struggle have generated an enormous solidifying power, attracting and uniting the extensive masses of people and they were subsequently transformed into great material strength and an important guarantee of our triumph over strong reactionary cliques both inside and outside the country and attainment of victory in the new democratic revolution.

Since the founding of the PRC, great changes have occurred on various sides, our party has become the party in power and, particularly since the reform and opening to the outside world, the country's economic conditions have turned for the better. At such a time is it still necessary to continue plain living and hard struggle?

In China's history certain sage feudal monarchs and ideologists have all emphasized the importance of diligence and frugality. Before they seized political power, they did, to a certain extent, practice "plain living and hard struggle." Nevertheless, once they were in power, although there were still certain people who could see the importance of continuing "plain living and hard struggle," as a whole their nature as an exploiting class basically could not put this into actual practice. On the contrary, they would become extremely extravagant and fall rapidly into corruption. This has become a law. Will the Communist Party members walk the same beaten path and, under the conditions of being in power, will they be able to continue the tradition of plain living and hard struggle? This is indeed a crucial test for Communist Party members.

The maintenance of the original characteristic of plain living and hard struggle after having seized power is predestined by the nature, mission, ideals, and purpose of our party. The CPC is the political party of the proletarian class, which represents the basic interests of the extensive masses of people. It seeks no private interests but serves the people wholeheartedly. After relying on the people to conquer the country and after fundamental changes have occurred, it has no reason to be proud of its accomplishment or to consider the country as entirely its own or to ride over the people in pomp and glory. For the party to continue plain living and hard struggle after seizure of political power reflects precisely the world outlook of the proletarian class and the moral standards and values of the Communist Party members.

For the present, advocating that the whole party and people of the whole country maintain and display the superior tradition of plain living and hard struggle is ordained by China's basic national conditions. Socialism in our country grew out of the backwardness in the productive forces of a semicolonial and semifeudal society. It is true that through 40 years of development,

the country's economic power has been greatly strengthened and, particularly since the 3d Plenary Session of the 11th CPC Central Committee, enormous changes have taken place in the country's economic situation, the country's GNP, the state's financial revenues; the average income of residents in urban and rural areas has, in general, been doubled; and the people's standard of living has been greatly improved. But we have a huge population, a very weak foundation, and per capita GNP is still among the world's lowest. For example, in the case of Gansu Province, we are located far in the interior, are economically and culturally backward, and our natural conditions and foundation are extremely poor. Compared with other provinces with better conditions, equal efforts devoted by us frequently produce slow results and in a small number of places the peasants have still not solved their problem having insufficient food to eat and not being dressed warmly, and changing the backward conditions will still be a long-term and tedious task. Hence, to carry out the four modernizations in Gansu Province, we need to redouble our efforts and work "ten times harder than others."

Maintenance of the good tradition of plain living and hard struggle is also a natural demand of the firm insistence on reform and opening to the outside world and of the great objective of the fatherland's four modernizations. The 13th party congress advocated the following steps in our country's economic strategy from now on: By the end of this century, our GNP will have doubled, the people's standard of living will be at a level of being fairly well off, and by the middle of the next century per capita GNP will be at the level of intermediate developed countries and the people's standard of living will be relatively wealthy. Our country's national conditions and socialist system have ordained that our modernization construction will have to depend on the revolutionary spirit of independence, autonomy, self-renovation, and enterprise building through hard struggle. Naturally, this does not exclude copying and learning from the advanced techniques and management experiences of other countries nor utilizing the capital and equipment of other countries. However, loans from other people must be duly repaid, and introduction of advanced technology requires money. All this money must be obtained through reliance on our difficult toil and work, and for this there is no other way out. The time available to engage in the modernization construction is short and we must have a feeling of urgency and brace ourselves to follow through, relying on several generations of people's difficult struggle and burying their heads in hard work.

Encouraging a creative spirit, and carrying out education on plain living and hard toil also provide a powerful guarantee to deepening reform, jointly solving difficult problems, and promoting social tranquility. Some people may say that at present the reform is meeting with difficulties and problems and the populace is greatly disgruntled and that to advocate plain living and hard struggle now will only lower people's hopes and, thus,

solve errors in the reform. This is an erroneous interpretation. That the 10 years of reform have earned great successes is well known by everyone. The appearance of a few errors causing temporary mishaps in the reform should not be feared. In the current situation of rectifying the economic environment and improving the economic order, reducing the overly inflated scale of capital construction, lowering the overheated economic growth, and holding in check the high consumption trend urgently require that all people jointly take up plain living and hard struggle and accept the need to pass several years of tightened and difficult days. Only by strongly advocating building and creating plain living can we direct the overly high life expectations of people to the side of having a correct understanding of national conditions, properly interpreting the reform, and removing the many idealistic thoughts about the reform. And only by doing so can we stir up the masses' enthusiasm and creativeness, and increase their ability to accept difficulties. Thus, make them work in unison to jointly solve the difficulties, and achieve a new stage in the healthy development of the national economy. Advocating plain living and hard struggle does not imply an attempt to cover up our difficulties, but is helpful to everybody in handling well relations between the individual's interests, the collective's interests, and the country's interests, as well as the relations between the interests of the moment and interests of the future; it benefits the solid, step-by-step advancement in the people's standard of living, reduces the factors of turmoil in society, and facilitates social peace, tranquility, and unity.

It is more difficult to maintain and display the tradition of plain living and hard struggle in times of peace and construction than in war years. The position of the ruling party and its system is still not perfect; it is possible that party members and cadres may obtain for themselves even more benefits and certain weak-willed people may find it impossible to resist temptation and thus try to exchange power for money's sake. Increasingly improving material conditions may drive certain people to forget the solemn oaths they made when they joined the party and thus lose their fighting power and turn to seeking material comforts. The various kinds of corrupt and degenerated ideas of the exploiting class may have an ill effect on certain people, making them change in quality, and so on and so forth. It was because of this that, on the eve of the founding of the republic, Comrade Mao Zedong earnestly cautioned people to avoid being the victims of "sugar bullets" after entering a city, but to bear firmly in mind the fine tradition of plain living and hard struggle. Following liberation, our party has devoted great efforts to work in this connection. It should be said that during the 1950's and 1960's a fairly good job was done in the education of plain living and hard struggle and also in their actual practice. Since the 3d Plenary Session of the 11th CPC Central Committee, our party has set up the definite strategy of reform and opening to the outside world. Many senior and elderly revolutionaries of the proletarian class, who had gone

through the wartime path of plain living and hard struggle, repeatedly urged employment of the spirit of plain living and hard struggle to educate our party members, cadres, and the masses. Among them, Comrade Deng Xiaoping was the one who emphasized this problem the most. As early as 1960, when we had just stepped on the road of the reform and opening to the outside world, Comrade Deng Xiaoping, in his address to the National Political Consultative Conference at a tea reception for the new year, pointed out that we must possess the creative spirit of plain living and hard struggle, and that we must undertake a Chinese-styled modernization, that is, attending to building and creating work in a down-to-earth manner. Since then, he has again stressed on many occasions that because ours is a poor and big country, it is absolutely necessary to resort to hard struggle in the creation and building work. However, this earnest and patient cautioning by Comrade Deng Xiaoping and other senior revolutionaries did not have a good response. Instead, various kind of phenomena contrary to the spirit of plain living and hard struggle spread gradually, the wind of luxury and extravagance was in full swing, party behavior was declining, and the social atmosphere deteriorated, all of which have frightened people greatly.

It is an undeniable fact that in the reform of the past 10 years, we have achieved accomplishments that surprised the world, but at the same time it must be admitted that during these years our party's tradition of plain living and hard struggle suffered rather great damage. What was the cause? In my opinion, there were two main causes: 1) Laxity and even failure to grasp the education on plain living and hard struggle and loose discipline; and 2) Lack of penetrating insistence on the four cardinal principles and no "flying colors" in opposition to bourgeois liberalization, which has been allowed to run rampant and break many of the good traditions of the party, including plain living and hard struggle.

After smashing the gang of four and terminating the Great Cultural Revolution, our party has rectified the "leftist" errors which had for a long time guided ideological work. The party has also corrected and redressed the rights and wrongs in the theories and ideologies that had been put into confusion by Lin Biao and the gang of four. Nevertheless, some people made wrong conclusions from the experiences and lessons of the past. For example, after criticizing the erroneous viewpoints of "transition in poverty [from socialism to communism]" and "preferring an impoverished socialism [to capitalism]," some people equated these erroneous viewpoints with plain living and hard struggle. Beginning at the 3d Plenary Session of the 11th CPC Central Committee, the center of party work was shifted to modernization construction. Certain principal leadership cadres and comrades in our party still did not earnestly grasp the education of plain living and hard struggle, but at times even enjoyed talking about and praising the erroneous viewpoint of "high consumption." In particular, after Comrade Zhao Ziyang took up the post of party general

secretary, not only did he not talk about plain living and hard struggle, he also looked lightly on the problem of party behavior and strenuously propagated that in the initial stage of socialism "corruption could not be avoided" or that "enterprises were exceptions and should be specially treated," thus providing support to those who had downgraded the public's opinion of plain living and hard struggle.

Advocating bourgeois liberalization necessarily refutes the party's good tradition of plain living and hard struggle. In recent years, certain people have vigorously trumpeted the life, morals, and values of the bourgeois class, propagated the doctrine of enjoyment on the pretext of "liberation of nature," and promoted extreme individualism. Certain unhealthy and filthy books, newspapers, magazines, and sundry products have also played their evil and damaging role. Bourgeois liberalization has helped the spread of the wind of luxury and extravagance. Conversely, various kinds of phenomena contrary to the spirit of plain living and hard struggle have provided a market for the ideas of bourgeois liberalization to run rampant. Between these two there is the relationship of cause and effect. Lessons have awakened us. We must grasp the problem of firmly insisting on plain living and hard struggle. Comrade Chen Yun said that the party behavior of the party in power is a big, life-and-death problem. Plain living and hard struggle may be said to be an important part of the problem of party behavior. They are intimately related to the big problem of whether the CPC can maintain its nature and characteristic as the vanguard corps of the worker class, represent the interests of the extensive masses of people, and obtain the people's support.

Naturally, the tradition of plain living and hard struggle has historical causes and background for its formation. In time, plain living and hard struggle may change in form. Communist Party members are not poor or ascetic monks. The objective that they may even sacrifice their lives to struggle for is to enable the extensive masses of people to jointly enjoy a well-off and increasingly better livelihood. Hence, it cannot be imagined that advocating plain living and hard struggle implies that even after general material conditions have gradually improved we would still allow people to eat the chaff of grain just as they did in the war years. Plain living and hard struggle are definitely not the same things as "poverty is socialism itself," propagated by the gang of four, and they are not confined merely to eating simply and working hard. Regardless of how plain living and hard struggle have changed in form, in my opinion, their spirit cannot be changed. First, we must practice "plain living," that is, pass well-off days as though they were days of impoverishment and be diligent and thrifty, because the principle of "success from thrift and failure from extravagance" can never be in error. Second, we must "struggle hard," that is, we must start enterprises, investigate actively, fear no hardship, and be brave in creating something new.

Concretely speaking, the demand for plain living and hard struggle may be divided into different stages. As far as Communist Party members, particularly cadres at various levels, are concerned, they must possess a kind of world outlook and behavior that are proper for their work and moral character. In other words, they must have the ambition to build fearlessly and create for the sake of the populace. They must be self-motivated, and possess a fearless spirit and hard working habits. They must have the attitude and air of being earnest and down-to-earth, diligent and eager, be willing to bear the burden of office, and always endeavor to advance. They must display the lifestyle of frugality and not always seek comfort and enjoyment. Morally, they must be unselfish, always be willing to make contributions, do not care for compensations, willing to put other people's interests above their own, and be just and selfless. In short, they must be brave to take up the heavy burden, work hard, and serve the people with one heart and mind. As far as the extensive masses of people are concerned, the demand of plain living and hard struggle is that they must gradually form a social atmosphere respected by everybody, work hard, make more contributions, always push forward, and practice diligence and frugality.

At present how shall we conduct education on plain living and hard struggle, and restore and display this good tradition of the party? In my opinion, first of all we should carry out the education inside the party and, most important, the high-level party cadres should take the lead. Under the extremely difficult conditions of the war years, an extremely important reason why plain living and hard struggle became our party's good tradition and ensured our revolutionary enterprise proceeding from victory to victory was because the various levels of cadres from top to bottom were always ahead of their soldiers, acted in an exemplary manner, and took the lead in plain living and hard struggle. This generated an invisible but enormous consolidating force, made the party members and warriors believe and obey, and earned the respect of the populace. After liberation, many elderly and senior revolutionaries continued to act exemplarily and set many good examples. In recent years, many of our higher-level cadres have not been so strict on themselves. Some have even gone so far as to seek pleasure, extravagance, and luxury. After having struggled for a lifetime, in the end, these cadre did not exercise discretion in the matters of "residence, car, money, and children." They have actually used their power to seek private gains. Was this not sufficient to make the populace feel concerned and express their dissatisfaction? Hence, in advocating plain living and hard struggle, we must first of all have the higher-level cadres do so and set a good example. Just as Comrade Deng Xiaoping pointed out: "If our senior cadres can solve the problem in this connection, they can, with justice on their side, boldly and assuredly proceed to solve this sort of problem elsewhere in the country. But if the above-mentioned problem is not solved, then we have no right to speak, because people may ask: How about yourselves?" The 4th Plenary Session of the 13th

CPC Central Committee recently centralized efforts to do several things, among which was making a firm determination to eliminate corruption and to first of all solve the problems of impure ideology and unclean air on the part of higher-level cadres. In the last 10 days of July, the CPC Central Political Bureau decided that in the near future seven important affairs should be accomplished well. The crucial point of the concern of the populace was grasped and this illustrated well the determination and power of our party to punish corruption, take the lead in advocating honesty and justice in public affairs, and practice plain living and hard struggle. To our various levels of leadership cadres, particularly higher-level cadres in the party, this was a great encouragement and driving force and bore important significance in stirring up the party's spirit and the people's spirit and ensuring success in the reform, opening to the outside world, and undertaking the modernization enterprise.

In compliance with the general demand of the party Central Committee, Gansu Province, during the period of the enlarged session of the recently convened provincial party committee, publicly dealt with a number of corruption cases of higher and medium-grade cadres, and made "public exposure" of a number of cases where department and bureau cadres used power to seek private gains, which were recently being investigated and could be settled soon. This produced a strong response from the whole province. Among these cases were some in which power was used to reap huge profits on the pretext of opening up and enlivening enterprises and then taking advantage of the two-track prices to exchange power for money; there were cases of ignoring party discipline and state laws, and lavishly spending money at the expense of the state; there were also cases of improperly using power and position to seek private gains for relatives and children, of being severely alienated from the populace, and badly damaging the party's image. Through the end of June this year, discipline-investigation organs in the whole province handled 758 cases of violations of discipline, and among them were cases involving 12 party members who were cadres of departments and bureaus and 87 county and district-grade cadres. The provincial party committee decided that, responding to and carrying out the call of the Central Committee, corruption be eliminated province-wide and that in displaying and spreading the spirit of plain living and hard struggle the provincial party committee would start first, to be followed immediately by the five provincial-level leadership teams. It further decided that within the near future the following jobs be outstandingly grasped: Making a "retrospect survey" on the progress of work on rectifying and improving companies, making a stern investigation of the problem of provincial committees, offices, departments, and bureaus that directly organize and run companies and enterprises, and also investigating thoroughly and to the end the law-violating acts of the various categories of companies, regardless of with whom they were connected; sternly and quickly dealing according to law with

the large and important cases of corruption, bribery, and speculation; and, regarding those cases which the provincial government had "publicly exposed" and which involved leadership cadres of the provincial departments and bureaus, enjoining the leadership comrades of the province to divide the work and responsibility so as to speedily examine and handle the cases. In accordance with the announcements of the Supreme People's Court and the Supreme People's Procuratorate, criminal elements guilty of corruption, bribery, and speculative activities were urged to make self-confessions, to be sorry for their crimes, and to start life anew before 31 October of this year, otherwise they would be severely punished according to law. In the case of leadership cadres at or above the assistant rank in the province, they were prohibited from holding jobs or concurrent jobs in companies in the circulating area; purchase of small sedans by party and government organs was kept under strict control and no special cars were to be assigned for use by cadres of assistant rank in the province. In their travels abroad, entertainment of guests, and visits to grassroots-level organs, cadres of provincial rank should take the lead in abiding by the prescribed regulations and no special arrangements should be allowed. In finding jobs for children, making housing assignments, and promotion or transfer of cadres, party principles should be strictly followed, and party or government principal leadership cadres of the province should generally refrain from participating in ribbon-cutting ceremonies and other celebration activities. The key to whether these regulations can be followed and whether this can influence and lead cadres at various levels in the province and thus form a sort of atmosphere lies in whether the provincial party secretary and the chairman of the province can take the lead. We are determined to offer the people of the province a satisfactory reply and use this to lead the education on plain living and hard struggle of the party members of the whole province.

To make plain living and hard struggle form a sort of deep-rooted racial quality and citizens' understanding and become an enormous coalescing force and fighting strength will require daily, monthly, constant, sustained, and continuous propaganda and education. It is necessary to grasp typical cases on both the affirmative and negative sides. It is necessary on the various fronts and various sides to train and commend the advanced groups and model persons who have engaged in hard struggle in making accomplishments and to play up the style and features of the times of hard toil on the part of the basic populace, such as the workers, peasants, and soldiers. As for the corrupt and degenerated typical elements on the negative side, we should not hesitate to expose them openly to society so that the party members of the whole province may take this as a lesson to be constantly clear-headed.

Whether the spirit of plain living and hard toil can become the conscientious act of each and every individual still depends on the assurances of rigid discipline

and system and on democratic supervision to foster its realization. In the past, we formulated at various levels various systems rectifying party bearing, but the systems were not carried out well. Now the party Central Committee has taken the lead and set an example for us to follow. If we were to still follow the old style of leaving the systems alone and act as we please, then it would become a big problem of an impure party spirit. At present, we must carry out a level-by-level inspection of the observance of the series of measures formulated by party and government organs at various levels on the honesty system and rectifying party behavior. All the regulations must be strictly enforced and we must conscientiously accept supervision by the party, by the people and social public opinion, and the democratic parties and cliques. We must take a further step and improve the method and procedure of supervision. As for the problems emerging from the supervision, what should be done must be done.

The Longdong region of Gansu Province is a constituent portion of the Shaanxi-Gansu-Ningxia revolutionary base area. The Gansu people there possess the glorious tradition of plain living and hard struggle. In the 10 years of reform and opening to the outside world, the Gansu people toiled hard in building and creation and brought about development of various enterprises in the province. In particular, in the last 5 years and more, compared with 1983, the gross value of social output and the gross value of industrial and agricultural output increased by 75 percent and 64 percent, respectively; gross grain output exceeded 5.25 million tons a year for 5 years in succession; the peasants' per capita net income increased by 57 percent, and the area of impoverished peasant households shrunk from 65 percent to below 20 percent. Summer grain output this year amounted to more than 3.9 billion kilograms, a net increase of 175 million kilograms over the preceding year, surpassing the highest level in history. In the first half of this year, the gross value of industrial output and actual financial revenues increased by 16.4 percent and 17.7 percent, respectively, over the corresponding period of last year. These accomplishments were inseparable from the spirit of plain living and hard struggle. More recently, the most sacred task of party organs at various levels and of all Communist Party members in the province is to lead the extensive masses of people to practice plain living and hard struggle as they did in the past, to cure poverty and become well-off, and to change their backward appearance. This has been our set objective and also the joint idea of the various races of people. We firmly believe that Gansu's various projects and enterprises can surely develop in a stable, sustained, and healthy manner if only our whole province from top to bottom can firmly and irrevocably insist on the party's four cardinal principles, can firmly insist on reform and opening to the outside world, can possess the feeling of urgency, a sense of mission, and a scientific attitude in speedily transforming Gansu's backward appearances and, on the

other hand, firmly insist on long-term plain living and hard struggle and proceed solidly, safely, and step by step.

### **Remove Ideological Barriers, Resolutely Punish Corruption**

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[Article by the Research Office of the Central Discipline Inspection Commission]

[Text] Since the 3d Plenary Session of the 11th CPC Central Committee, the party Central Committee and the State Council have adopted many important measures and have engaged in unrelenting struggle against irregularities and corrupt practices within the party. A number of cases involving violations of law and discipline by senior cadres have been exposed, and economic criminals guilty of smuggling, selling contraband goods, offering and taking bribes, speculation and profiteering, graft, and embezzlement have been seriously dealt with. Between 1982 and 1988, a total of 879,167 party members were punished and another 193,373 were expelled by the central Discipline Inspection Commission and discipline inspection organs at various levels for violations of discipline. During this period, 342 provincial and army cadres, 4,296 prefectural and divisional cadres, and 36,494 county and regimental cadres were punished. Irregularities and corrupt practices within the party were somewhat contained. However, the results of these endeavors were not quite what people expected. This is particularly so in recent years, when some corrupt practices not only have not been effectively eliminated but have continued to spread and become increasingly more serious. This has a lot to do with the fact that Comrade Zhao Ziyang has, for a long time, taken a passive approach to adherence to the four cardinal principles, neglected party building, belittled ideological and political work, and preached the idea of "watering down" party style. He has misled the people by presenting the fight against corruption as a task in conflict with the policy of reform, opening the country to the outside world, and developing the economy, thus making it difficult for the party to do an effective job of combating corruption and maintaining a clean administration. Why is it that some localities, departments, and units have been unable to implement measures aimed at combating corruption and why is it that the fight against corruption failed to gain momentum some time ago? Why is it that some party organizations have been softhearted and incapable of effectively dealing with violations of law and discipline or curbing corrupt practices? One of the reasons is the influence of Comrade Zhao Ziyang's erroneous ideas. Some party cadres, particularly leading cadres, have muddled and erroneous ideas of one sort or another. Thus, in order to effectively launch the struggle against corruption and carry this struggle through to the end, it is necessary to remove all ideological barriers and deepen our understanding.

### Corrupt Practices Can Be Curbed

Can corrupt practices be curbed in the early development stage of the commodity economy? This is a matter that must be resolved first and foremost in our struggle against corruption. After the 3d Plenary Session of the 11th CPC Central Committee, the party shifted the focus of its work to economic construction and made phenomenal achievements in its cause of reform and opening up the country to the outside world. However, this period also saw an increase in the influence of decadent capitalist ideology and behavior from abroad. As China was then in the process of replacing the old economic system with the new, loopholes in the running of society emerged, and this created factors and conditions favorable to development of corrupt practices. Add to this our failure to act promptly, and corrupt practices began to multiply among weak-willed party members and cadres. The struggle between corruption and anticorruption became daily more acute under the new situation, and this was the grim reality. For a long time, the vast numbers of party members and the broad masses of people have eagerly appealed for the predominance of the party's fine traditions and work style, expressed the hope for a clean and healthy society, expressed bitter hatred for corrupt practices within the party and the government, and strongly demanded that these practices be severely punished. On the pretext that "corrupt practices are unavoidable in the primary stage of development of the commodity economy," Comrade Zhao Ziyang took a passive approach to the struggle against corruption, with the result that unhealthy practices within the party quickly converged and spread in some localities, departments, and units as a force antagonistic to positive factors and healthy trends within the party. Thus, corrupt practices found their protective cover, and those who engaged in corrupt deeds, including some of our leading party cadres, found pretexts to absolve themselves from blame. They disapproved of the struggle against corruption and felt quite secure in their wrongdoings. This dampened the enthusiasm of the vast numbers of cadres and the masses both inside and outside the party in the fight against corruption. Many people began to feel rather perplexed as to whether corrupt practices could be curbed after all. It is thus obvious that stressing in a lopsided way the inevitability of corrupt practices in the early stage of commodity economy development, as well as the resultant opinion among the public that corrupt practices cannot be curbed, are bound to shake or even destroy the confidence of the vast numbers of cadres and the masses inside and outside the party in the fight against corruption. As we now sum up past experience and ponder the future, we must clarify our muddled understanding and distinguish right from wrong on this important issue. In the primary stage of socialism, in the early stage of the development of the commodity economy, and under conditions of reform and opening the country to the outside world, it is possible that corrupt practices may increase, but these are by no means beyond containment. We could say positively that, provided that the whole party increases its awareness in fighting corruption, it is entirely possible through our subjective efforts to keep corrupt practices at a minimum.

Comrades of the whole party and the people of the whole country must have full confidence in this.

It should be pointed out that we have the social basis and conditions for resolving the problem of corruption. Corrupt practices are essentially vestiges of the exploiting classes in our new society. They are historical dregs that have surfaced under the new situation, not the natural product of our society. In the early development stage of the commodity economy in capitalist countries, corruption and bribe-taking by government officials as well as corrupt social values are common. However, under no circumstances must we thus draw the conclusion that corrupt practices cannot be curbed in the early development stage of the commodity economy in socialist countries. The negative aspects of the commodity economy will certainly have their effects on our economic construction. This is an objective fact and cannot be denied. People who take the pessimistic view that "corruption cannot be completely eliminated" have overlooked one most rudimentary yet fundamental issue, namely, the essential difference between the socialist system and the capitalist system. Our modernization and cause of reform and opening the country to the outside world are socialist in nature. They are subject to the general rules of the commodity economy and are governed primarily by the socialist economy and politics. In capitalist states, private ownership of the means of production is practiced. Since surplus value and super-profits are what the capitalists are after, a situation where the big fish eat little fish and the little fish eat even smaller fish prevails. There, oppression of the people is a fact of life, and corruption is endemic. Our socialist economy is made up of different economic sectors with public ownership of the means of production as the main body. We practice a system that combines the planned economy with regulation by market forces and strives to attain common prosperity through distribution according to work. Admittedly, the soil that breeds corruption exists in our society, and corrupt practices cannot be eradicated within a short time. However, it must be pointed out that this soil is by no means predominant. The socialist system of public ownership of the means of production, the political system under which the people are masters, the leadership of the Communist Party whose objective it is to serve the people, and the ideology guided by Marxism-Leninism-Mao Zedong Thought, principles which we have upheld all along, are the social basis and most fundamental condition for curbing corrupt practices. Although corrupt practices may, for a while, be rampant under given conditions, they are moribund and are bound to be spurned and denounced by the overwhelming majority of people. We have the ability and the means to tackle the problem of corruption and avoid capitalism's experience of economic prosperity, but moral degeneration. This is something determined by the nature of our society. If we fail to see this point, we are obliterating the distinction between the two essentially different social systems.

At the same time, we should also recognize that, as long as we follow the correct guiding ideology and take correct



measures, corrupt practices can be eradicated step by step, as proved by our experience during the decade of reform and opening up the country to the outside world. In the past years, corrupt practices have occurred from time to time, but thanks to the joint efforts of cadres and the masses inside and outside the party, these phenomena have constantly been subjugated. While decadence and degeneration on the part of a small number of party members and cadres is a fact that cannot be overlooked, it is also a basic reality that the overwhelming majority of party members and cadres have tempered and improved themselves through reform and opening up the country to the outside world. Even in those departments and units where people are liable to become involved in one way or another in evil-doing, it is still possible to find plenty of cadres who remain upright and uncorrupted. This shows that, although it is possible for party members to become corrupt under conditions of reform, opening the country to the outside world, and invigorating the economy, such a possibility is definitely not an inevitability. The occurrence of corrupt practices can be minimized or even eliminated provided that we seriously implement the principle of running the party strictly, strengthen party building, constantly strive to upgrade the quality of party members, improve the systems of making public our work procedures and results and accepting supervision from the masses, and rigorously enforce discipline. In many localities, departments, and units, the party and government organs and their responsible persons have earnestly and relentlessly grasped the important work of punishing corruption. Through their efforts, there has developed an atmosphere of hard work, honest performance of duties, and opposition to corruption, thereby preventing corruption from becoming a public menace. We have learned that corrupt practices are not beyond control. The key to curbing corruption lies in the ideology we use to guide our work and actions. Provided that comrades of the whole party, especially leading comrades at various levels, firmly bear in mind the lessons learned and grasp the work of promoting clean government as an important task, and wage a wholehearted and down-to-earth struggle against corruption, corrupt practices can definitely be eliminated step by step.

### **We Must Persist in Grasping the Dual Tasks**

Will the fight against corruption and the promotion of clean government affect our efforts to invigorate the economy? Influenced by Comrade Zhao Ziyang's mistake in neglecting the people's spiritual development, some comrades were unable to correctly handle the relationship between party style and economic construction. They believed that while invigorating the economy and developing production it is not possible to also stress clean government, considering that stressing clean government would result in it being impossible to invigorate the economy and in a decline in production. They also believed that it was essential to dabble in some irregular practices while developing the commodity economy, thinking that entertaining, presenting gifts, offering and taking bribes were "lubricating agents" "essential to

reform and opening the country to the outside world." Other comrades believed that we should first strive for economic development, arguing that when the people's material life was bettered, party style would naturally improve and corrupt and dishonest practices would naturally die out. It was precisely under the guidance of these ideas that some people looked upon enterprises as "special zones," thinking that combating corruption and maintaining a clean administration concerned only party and government organs, and that, in order not to affect economic development, enterprises should not waste their efforts in this regard. The fact is that these people have set the work of combating corruption and maintaining a clean administration against economic work, and have bargained away party style and social values for economic benefits. Their utilitarian approach of stressing immediate interests at the expense of long-term interests and stressing the economic benefits of their own units at the expense of benefits for the whole society has, to say the least, obliterated the characteristics and essence of the socialist system and negated the socialist orientation of Chinese enterprises. This goes against the basic tenets of Marxism. As proved by the practice of reform and opening the country to the outside world over the past few years, if a locality or enterprise did not grasp party building, persevere in combating corruption and maintaining a clean and honest administration, and resolutely resist the corrosive influence of all ideas of exploiting classes, evil trends would prevail in this locality or enterprise, economic development would become sluggish, and there would be resentment among the masses. On the other hand, if a locality or enterprise incessantly rectified its party style, persevered in grasping the dual tasks of material and spiritual development, and made continuous efforts to ferret out "borers" that posed a threat to socialism, the general atmosphere would turn for the better, healthy trends would prevail, and the economy would develop healthily and steadily. This tells us that if the work of reform, opening the country to the outside world and promoting economic prosperity is separated from efforts to grasp party building and encourage clean government, there is no way that we can guarantee its socialist orientation. Likewise, if the work of grasping party building and encouraging clean government is not carried out alongside the work of reform, opening the country to the outside world, and economic construction, it will lack vitality. The unity between the work of grasping party building and promoting clean government and economic work has determined that we must persevere in grasping these dual tasks.

The healthy development of enterprises has been impaired and serious losses have been inflicted on the party and the state because viewpoints that have been proved wrong by practice have not been promptly rectified and criticized in some localities and enterprises and have been seized upon and used as pretexts by those who dabbled in irregularities. Some leading party cadres have forgotten the socialist nature of national economic construction, lost their socialist bearings, betrayed socialist principles, slackened education among party cadres on the need to fight pernicious influences, and discarded their revolutionary spirit



of running enterprises through hard struggle. They blindly imitated and pursued capitalist modes and concepts of operation. Thus, anyone who could make money was considered a "capable person," and anyone who could make a fortune was elected as a representative in "the development" of the productive forces. No one bothered to ask what tricks these people employed in doing business or whether they had violated law and discipline. The idea of maintaining clean government was regarded as conservative, and corrupt practices were considered to be just "small matters," to the extent that clean and honest party cadres were isolated and ridiculed. On the other hand, those who were adept at making use of personal connections and securing advantages through pull or influence, and who were even guilty of offering and taking bribes, were not promptly punished. This confused the people's minds and confounded right and wrong. Under the influence of these erroneous ideas, some people manufactured and sold large quantities of counterfeit and inferior products in pursuit of windfall gains, thus inflicting great damage on the vast numbers of consumers. Some people engaged in tax evasion and violated the state's financial and economic discipline, thus inflicting great losses on the state. Some people engaged in extravagance and waste in the name of invigorating the economy. Some people engaged in speculation and profiteering over the means of production and commodities in short supply, thus upsetting the normal sequence of circulation. Some people squandered public money, offered and took bribes, thus embarking on the criminal road. These have seriously impaired the interests of the party and the people, damaged the image and reputation of the party, undermined the political situation of stability and unity, interfered with the smooth progress of reform and the open policy, and adversely affected the enthusiasm of the broad masses in socialist modernization. Comrade Deng Xiaoping said: "We have done quite well in our economic construction. The situation is very encouraging. This is our success. However, what is the use of having economic success if the general mood of society keeps deteriorating? Deterioration in one aspect will bring about the deterioration of the economy as a whole. If this goes on, we will find ourselves living in a world of graft, embezzlement, and corruption." How solemn and profound was his address! We should sharpen our vigilance.

Party organizations in enterprises must attach importance to the punishment and rectification of corrupt practices and irregularities within enterprises, put the work of combating corruption and maintaining a clean administration in an important place on their agenda, and grasp these tasks firmly and well. On no account must they neglect these tasks with the excuse that their case is special. At present, most corrupt practices found in party and government organs are closely related to the chaotic social and economic order and are interdependent. Such a state of affairs shows that on the question of clean government there must be overall coordination, and comprehensive measures must be taken. Party and government organs as well as enterprises and public institutions must maintain a clean and honest administration and combat corruption.

Of course, in the course of reform and opening the country to the outside world, enterprises and party and government organs may adopt different methods or have different priorities in light of their specific conditions. However, it is essential that they all maintain a clear-cut ideological stand. The work of combating corruption and maintaining a clean administration in enterprises is essential, not something dispensable, for it constitutes an important aspect of party building in enterprises.

#### **Overcome the Wait-and-See Attitude and the Mentality of Vying With Each Other**

In recent years, an undesirable trend has been seen among some party organizations and leading cadres on the question of combating corruption and maintaining a clean administration. This trend is manifested in the fact that much has been said, but very little has been done, and there is a lack of awareness of "starting from oneself and from one's own unit." In their work of combating the phenomena of pessimism and corruption within the party, some cadres are "full of indignation" in their verbal pronouncements but are hesitant and slow to act. Some party organizations have held many meetings, issued many documents, and taken many measures for this purpose, but have neglected to manage actual implementation of the task. The situation is like "having no policemen to control the traffic lights." The comment of the masses is that "there is plenty of thunder but no rain." They are very dissatisfied with party organizations and leading cadres who talk all the time but do nothing. If we do not change this style of work, and instead continue the present practice of going through the motions rather than taking concrete action, the work of eliminating corrupt practices is bound to come to naught. If this happens, we will not be able to win the trust of the people.

The following are some of the main reasons why some leading cadres adopted the above-mentioned wait-and-see attitude: First, in their anxiety to seek good relations with everyone, some leading cadres were afraid of offending others and losing their votes. They dared not hold fast to their principles and dared not wage struggles. Thus, when up-and-coming cadres made mistakes, they dismissed the mistakes as "shortfalls of the reform" and protected these cadres on the pretext that they were young and inexperienced. When senior cadres violated law and discipline, they pleaded on their behalf, saying that since these old cadres had performed meritorious services for the revolution and were about to retire, it was best not to take any action against them so they would not have to spend their old age in disgrace. Second, they developed ideas of departmentalism and vied blindly with one another. On the pretext that "the microclimate can produce few results when the macroclimate remains unchanged," or by spreading the view that "when irregularities are prevalent, whoever grasps anticorruption work is bound to suffer," they turned a blind eye to corrupt practices and allowed these to spread unchecked. Some people who were eager for quick success in their official careers fought for the interests of their own localities, departments, or units at the expense of the overall interests of the state. As a result,

ving in two directions prevailed: In economic work, they vied blindly with those above them in terms of scale, output value, speed of growth, even to the extent of resorting to improper means in their efforts to scramble for funds and projects. This not only encouraged overheated economic growth, but abetted the spread of irregular practices. In the work of maintaining a clean and honest administration, they tended to compare with those below in terms of who got more bonuses and subsidies in cash and in kind, thinking that in so doing they were working for the welfare of the staff and workers and would win the support of the masses. If we vie with one another and adopt a wait-and-see attitude, waiting until others have solved the anticorruption problem before doing anything ourselves, the problem of corruption cannot be solved and corrupt practices within the party and in society will continue to spread. This kind of blind vying is in fact the manifestation of departmentalism and the lack of the concept of the whole. It reflects the impurity of party spirit. Third, they did not set strict demands on themselves and thought that, although they fell short of the best, they were better than most people. They had their eyes on those outside or below, attaching much more importance to the problems of others and of the grassroots level than to their own problems or those of their own units. Some of them even behaved "like a tiger whose backside no one dares to touch." Some were not mentally prepared for austerity, regarding extravagance, waste, and other corrupt practices as trivial matters, and thinking that hard struggle and frugality were "antiquated." Some were guilty of serious misdeeds of seeking personal privileges. They not only did not watch their own step, but neglected the duty of educating their children and keeping them under control. Thus, in order to intensify the fight against corruption, leading cadres must enhance their ideological awareness and improve their own political quality. On the one hand, they must acquire a deep understanding of the importance and urgency of the fight against corruption, for this is not only something that will keep them and their children from making mistakes, but is a matter of life and death as far as the party is concerned. On the other hand, they must temper their party spirit, strive to remold their world outlook, bear firmly in mind that the party's objective is to wholeheartedly serve the people, carry forward the work style of hard struggle, and share weal and woe with the masses in an effort to tide over the troubles together. They must overcome individualism and departmentalism and embrace the concept of the whole, regarding this as an important aspect of the task of tempering party spirit and remolding world outlook in the new period. They must correctly handle relations between the interests of the state, the collective, and the individual and resolutely safeguard the fundamental and long-term interests of the masses. They must rectify irregular practices, punish corruption, remain clean and honest, and must not grumble all the time and complain about everything. Every organ and every cadre has its or his own responsibility and must be strict and start with himself. Leading organs and leading cadres bear even heavier responsibilities. They must start with themselves and "sweep the snow at their own doorsteps" first. Provided that leading cadres at various levels

can give correct ideological guidance, refrain from vying with one another, adopt a wait-and-see attitude, or depend on the higher levels for help, persist in setting an example with their own deeds, start grasping the anticorruption work from their own localities or organs, earnestly tackle the problems of greatest concern to the masses, crack a few cases that will boost the morale of the party and the people, and persevere in this work to convince the masses that our party is sincere in its fight against corruption and has the ability to eliminate corrupt practices, the party's adhesive force and prestige will increase.

### **Development of Marxist Philosophical Thinking and Its Dialectical Materialist Orientation**

00000000 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 17, 1 Sep 89 pp 35-41

[Article by Jin Shougen 6855 1343 1649; not translated]

### **Interaction of City Spirit and Enterprise Culture**

00000000 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 17, 1 Sep 89 pp 42-43

[Article by Shi Lijun 2514 4539 6511; not translated]

### **Summary of a Forum on Upholding the Four Cardinal Principles, Thoroughly Criticizing Bourgeois Liberalization on the Ideological and Theoretical Front**

00000000 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 17, 1 Sep 89 pp 44-46

[Article by Ma Guoqing 7456 0948 1987, Lin Jiangong 2651 1696 0361, Bu Xiaoye 0592 2556 2814; not translated]

### **Resist and Remove 'Spiritual Refuse'**

00000000 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 17, 1 Sep 89 p 47

[Article by Shi Mang 9569 5452; published in FBIS-CHI-89-190, 3 Oct 89 p 30]

### **Between Gains and Losses—Reading the Novel *Gains or Losses?***

00000000 Beijing QIUSHI [SEEKING TRUTH]  
in Chinese No 17, 1 Sep 89 p 48

[Article by Wu Bingjie 0702 4426 2638; not translated]